

DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR 2017

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTEENTH CONGRESS
SECOND SESSION

SUBCOMMITTEE ON DEFENSE

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PART 1

	Page
FY 2017 Department of Defense Budget Overview	1
FY 2017 U.S. Navy/Marine Corps Budget Overview	113
FY 2017 U.S. Air Force Budget Overview	235
FY 2017 U.S. Army Budget Overview	307
FY 2017 National Guard and Reserve	373

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 2017

THURSDAY, FEBRUARY 25, 2016.

FISCAL YEAR 2017 DEPARTMENT OF DEFENSE BUDGET OVERVIEW

WITNESSES

HON. ASHTON B. CARTER, SECRETARY, DEPARTMENT OF DEFENSE
GENERAL JOSEPH F. DUNFORD, JR., USMC, CHAIRMAN, JOINT CHIEFS
OF STAFF

HON. MIKE McCORD, UNDER SECRETARY, DEPARTMENT OF DEFENSE

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. Good morning. The committee will come to order. I thank all the members for being here, especially the big chairman, Mr. Rogers.

I am pleased to welcome the 25th Secretary of Defense, Ashton Carter. This is Dr. Carter's second appearance before the subcommittee as Secretary, although we know him well from his many years of service to our Nation.

We also welcome General Joe Dunford, a great marine, Chairman of the Joint Chiefs of Staff, and Dr. Michael McCord, Comptroller of the Department.

Mr. Secretary, Prime Minister Winston Churchill observed 70 years ago, and I quote: "From what I have seen of our Russian friends and allies during the war, I am convinced that there is nothing they admire so much as strength, and there is nothing for which they have less respect than for weakness, especially military weakness."

Churchill was referring to the post-war leadership in Moscow, but the same can be said today. I fear that, as I examine this administration's budget request, they have to be breathing a sigh of relief. One year ago, in this same room, we were told by the Chairman of the Joint Chiefs that last year's budget request represented the lower ragged edge of resources the Department needs to carry out its strategy. The budget request before us today is almost exactly the same amount as last year's, and yet this administration now claims to provide robust funding for your Department.

Mr. Secretary, lower ragged edge or robust funding? The security environment used by the Department to justify a shrinking Army and Marine Corps, a smaller Navy, an older Air Force does not exist. In fact, we face more serious threats, from more sources, than at any time since World War II. Russia occupies Crimea and continues to menace Ukraine, its neighbors, and our NATO part-

ners. China is building whole islands in the South China Sea and militarizing them, yet this administration suggests cutting an already inadequate shipbuilding budget. Many of our gains in Afghanistan have been reversed, while the Taliban and now ISIS await our departure, and Iraq is barely better.

Iran's global terrorist network just received a massive transfusion of money and continues to challenge our interests and our allies in Iraq, Syria, Yemen, and across the Middle East. Syria is a living hell on earth, devolving even further by the day with Russian and Iranian sponsorship, and we seem to be deconflicting our operations with both countries, hardly our allies.

ISIS has a major franchise in Libya, its base of operations in North Africa, 160 miles of Mediterranean coastline. Terrorism is like a cancer across the world, and this budget does not do enough to hold its spread.

Moreover, many of us on this committee are concerned that this budget mortgages future military capabilities to pay for today's urgent requirements.

Mr. Secretary, our Commander in Chief proclaimed in his State of the Union address we spend more on our military than the next eight nations combined, as if dollars and cents are the only yardstick by which we measure the effectiveness of our Armed Forces and the strength of our global leadership. Our adversaries measure our strength based on our military capability and our national will, and currently those adversaries and some of our allies question both. Members of our subcommittee hear this repeatedly from foreign leaders as we travel abroad and we meet them here at home, as they watch our foes continually test us without consequence.

Mr. Secretary, I also want to bring to your attention a concern that many share about the activities of the National Security Council. It has come to our attention repeatedly that the rules of engagement for our Special Forces and rules of engagement for our conventional forces are being micromanaged right out of the White House. I am sure you would agree that battlefield decisions should be left to military professionals.

In closing, I can assure you that a bipartisan majority in Congress stands ready to provide our Commander in Chief with the resources that our military needs to meet challenges from Russia and China, and defeat the Islamic State, Al Qaeda, and other lethal terrorist groups, with or without the strategy that the law requires. In fact, the 2016 NDAA required the administration to provide a strategy to counter violent extremists in Syria by last week. We are still waiting.

Now, having said that, I would like to turn the microphone over to my ranking member, Mr. Visclosky. Thank you.

OPENING REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Thank you, Mr. Chairman. I appreciate your holding the hearing today.

And Secretary Carter, General Dunford, and Secretary McCord, welcome to the hearing. I thank each of you for your commitment to service.

Mr. Chairman, I wish to express my continued concern regarding the self-inflicted uncertainty created by the Budget Control Act of

2011. Admittedly, I used much of my time at the fiscal year 2016 hearing for the same purpose, and although much has changed in the last twelve months, including the enactment of the Bipartisan Budget Act of 2015 that mitigated the BCA caps for two years, it is hard to argue that the Department of Defense or any Federal agency is now appreciably better positioned to plan or budget for the future.

It pains me to think about how much less efficient the Department of Defense has been over the last six fiscal years, as it has been forced to carry out our national defense strategy in an increasingly unstable security environment that you have described, while navigating the unpredictability of sequestration, of government shutdown, vacillating budget caps, continuing resolutions, and appropriations, through no fault of the full committee, that arrive well into the next fiscal year. Even the least clairvoyant among us can foresee the problems looming in fiscal year 2018.

The BCA was sold as a deficit-reduction tool, yet the Congressional Budget Office projected that from 2016 to 2025, the cumulative deficit will be \$1.5 trillion more than the office projected in August of 2015.

The prolonged inability of Congress and the administration to find a consensus needed to replace it and its faux austerity policies that truly address long-term drivers of our budget deficits, growth in mandatory spending, and the lack of revenue is an abject failure.

On a positive note, despite the ongoing efforts in Congress to renegotiate the agreement of fiscal year 2017, I am guardedly optimistic that the BBA will provide some predictability in this year's appropriations process. We have a number, and I hope that this subcommittee under the chairman's leadership will be allowed to make the difficult and deliberate decisions needed to prioritize the resources available to strengthen our defense and minimize the risk of our Nation and those in uniform.

Secretary Carter, you have stated that this budget is a major inflection point for the Department and takes the long view. Further, you have indicated this request favors innovation and readiness posture over force structure. I was pleased to hear both those sentiments. But based on the outcomes of the last handful of budget requests, I am skeptical, again, of any strategy, plan, or program that is reliant on relief from the BCA caps in future years. I certainly understand the motivation behind DOD's decision to assume more funding in the outyears. However, I am worried that that assumption may not come to fruition.

I assure you that I am committed to working with my colleagues to find a lasting solution to our fiscal situation, which, again, necessitates addressing both revenue and mandatory spending.

In conclusion, I would simply also observe that I appreciate that the much-anticipated plan for the closing of Guantanamo Bay detention facility was transmitted to Congress earlier this week. I hope that the plan is considered on its merit rather than to be reflexively rejected.

Mr. Chairman, again, thank you very much for holding the hearing.

Gentlemen, I look forward to your testimony.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky.

Chairman Rogers.

OPENING REMARKS OF CHAIRMAN ROGERS

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. Secretary, General Dunford, Secretary McCord, thank you for being here. Thank you, more importantly, for your years of service to your country. We appreciate that very much, and we thank you for being here this morning for what is the first hearing of this subcommittee for fiscal 2017. We have 21 hearings across the committee this week. You are one of which, but we think very, very important one of which.

For the fifth year in a row this subcommittee has been able to pass a defense appropriations bill out of the House. I am confident we can do the same this year. We know our troops and their families are depending on it. Our only hope is that when we pass a bill through this committee and on the floor of the House and send it to the Senate, that they act, which they have refused to do for the last several years. Consequently, we get into an omnibus negotiation by necessity to keep from closing down the government. But it is time the Senate acted on a bill. It is amazing.

Under your leadership, the men and women who serve in the U.S. military answer the call time and again to leave their loved ones, put themselves in harm's way, execute challenging missions abroad. We are mindful that our responsibility to support our allies in need and respond to threats from our enemies imposes significant demands on our troops. This committee appreciates their dedication and willingness to serve, and your leadership, amidst the unprecedented challenges facing our Nation this day.

The global security environment continues to grow increasingly complex and unpredictable, and the mounting threats we discussed this time last year are still with us, and in some cases have increased. Two years after the Russian annexation of Crimea, Russian aggression remains a threat to sovereign states in the region and a considerable influence, of course, across the Middle East.

The Islamic State maintains its hold on population centers, where it terrorizes innocent lives and has created an unlivable situation for countless Syrians, Iraqis, now even Libyans. We have seen this conflict force the migration of millions of people, precipitating an unprecedented humanitarian crisis across the Middle East and Europe.

Meanwhile, Iran and North Korea continue to rattle their sabers, while China exerts military strength in the Pacific.

Today, we will discuss with you many of these threats and how your budget request addresses our ability to defeat them. However, we continue to hear rhetoric from the administration that appears to minimize or just flat out misunderstand the reality and the magnitude of the threat that we face from violent extremism. Just this week, the President announced his intention to close the Guantanamo Bay detention facility. At a time when the threat of terrorist activity at home and abroad shows no signs of abating, the President is advocating for the transfer of known terrorists out of United States custody to countries where we cannot control their ability to return to the battlefield. For detainees that he believes

pose a continuing threat, he asks the American people to allow them to be detained on American soil, in their own backyard.

As the President made the case that these prisoners will be subject to strong security measures while in the custody of other nations, a former Guantanamo prisoner was arrested in North Africa on terror charges. The Director of National Intelligence tells us that 30 percent of the prisoners released from the facility have re-engaged in terrorism, yet the President continues to argue that releasing these prisoners will make us safer. That is twisted logic.

Once again, I am perplexed by the administration's decision to continue to prioritize this misguided campaign promise despite clear direction from this Congress, not to mention the implications for national security.

With Active Duty end strength set to decline further until 2017, the conversation we will have today about responding to increasingly complex threats across multiple regions, against enemies with very different missions and capacities, becomes an even more complicated matter.

The challenges you face are well documented. The demands they place on our troops and our military leadership are great. I look forward to discussing how this committee can best equip you to lead in these uncertain times and respond to threats to American security around the world.

This committee remains confident in your ability to lead and protect our troops and to ensure the safety of Americans at home and abroad. You have our full support, and we deeply appreciate your service and your commitment to our Nation and our service men and women across the world.

Thank you.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

And, indeed, you have our full support, and the remarkable men and women you represent, whether it is civilians or it is military, are the best of America. And we are so proud of all volunteers doing some remarkable things.

Mr. Secretary, the floor is yours. Thank you for being with us.

Secretary CARTER. Thank you very much—

Mr. FRELINGHUYSEN. Your statement will be put in the record and so forth.

STATEMENT OF SECRETARY CARTER

Secretary CARTER. Thank you, Chairman.

Chairman, thank you.

Mr. Visclosky, thank you.

And all of you, thanks for what you said about the troops. That means it all. That is what I wake up for every morning. I am sure that is true of the chairman as well. They are the best of America, and we are very proud to be associated with them, and I am very pleased to hear you say the same things. It is good for them to hear that too. So thank you. Thank you all very much.

And thanks for hosting me today, and in general for your steadfast support to the men and women of the Department of Defense, military and civilian alike, who serve and defend our country all over the world.

I am pleased to be here with Chairman Dunford to discuss President Obama's 2017 defense budget, which marks, as was indicated, a major inflection point for this Department. I am also pleased to be discussing the budget first before this committee, which has been a leader in securing the resources the Department needs.

In this budget, we are taking the long view. We have to, because even as we fight today's fights, we must also be prepared for what might come 10, 20, 30 years down the road.

Last fall's budget deal gave us much needed and much appreciated stability. I want to thank you, all of you, your colleagues, for coming together to pass that agreement.

The Bipartisan Budget Act set the size of our budget, which is why our budget submission and my testimony focused on its shape, changing that shape in fundamental but carefully considered ways to adjust to a new strategic era and seize opportunities for the future.

Let me describe the strategic assessment that drove our budget decisions. First of all, it is evident that America is still today the world's foremost leader, partner, and underwriter of stability and security in every region across the globe, as we have been since the end of World War II. I was in Brussels the week before last meeting with NATO defense ministers, as well as defense ministers of the counter-ISIL military coalition, and I can tell you they all appreciate the leadership from the Department of Defense of America.

As we continue to fulfill this enduring role, it is also evident that we are entering a new strategic era. Today's security environment is dramatically different from the last 25 years, requiring new ways of investing, new ways of operating.

Five evolving strategic challenges—namely Russia, which has already been mentioned, appropriately so, China, North Korea, Iran, and terrorism, five—are now driving DOD's planning and budgeting as reflected in this budget.

I want to focus first on our ongoing fight against terrorism and especially ISIL, which we must and will deal a lasting defeat, most immediately in its parent tumor in Iraq and Syria, but also where it is metastasizing elsewhere in the world. We are doing that in Africa. We are also doing it in Afghanistan, where we continue to stand with the Afghan Government and people to counter Al Qaeda and now ISIL, while at the same time, all the while, we protect our homeland.

As we are accelerating our overall counter-ISIL campaign, we are backing it up with increased funding in 2017 in our request, requesting \$7.5 billion, which is 50 percent more than last year.

Just this week, following the progress we have made in Iraq by retaking Ramadi, we have also made operationally significant strides in our campaign to dismantle ISIL in Syria. There, capable and motivated local forces, supported by the U.S. and our global coalition, have reclaimed territory surrounding the eastern Syrian town of Shadadi, which is a critical ISIL base for command and control, logistics, training, and oil revenues.

More importantly, by encircling and taking this town, we are seeking to sever the last major northern artery between Raqqa and Mosul, and ultimately dissect the parent tumor into two parts, one

in Iraq and the other in Syria. This is just the most recent example of how we are effectively enabling and partnering with local forces to help deal ISIL a lasting defeat.

Next, two of the other four challenges reflect a recognition of, a return to in some ways, great power competition. One challenge is in Europe, where we are taking a strong and balanced approach to deter Russian aggression. We haven't had to devote a significant portion of our defense investment to this possibility for a quarter century, but now we do.

The other challenge is in the Asia Pacific, where China is rising, which is fine, but behaving aggressively, which is not. There, we are continuing our rebalance in terms of weight of effort to maintain the regional stability we have underwritten for the past 70 years, allowing so many nations to rise and prosper in this, the single most consequential region for America's future.

Meanwhile, two other longstanding challenges pose threats in specific regions. North Korea is one. That is why our forces on the Korean Peninsula remain ready, as they say, to fight tonight.

The other is Iran, because while the nuclear accord is a good deal for preventing Iran from getting a nuclear weapon, we must still deter Iranian aggression and counter Iran's malign influence against our friends and allies in the region, especially Israel, to whom we maintain an unwavering and unbreakable commitment.

DOD must and will address all five of these challenges as part of its mission to defend our country. Doing so requires new investments on our part, new postures in some regions, and also some new and enhanced capabilities. For example, in confronting these five challenges, we know we will have to deal with them across all domains, and not just the usual air, land, and sea, but also particularly the areas of cyber, electronic warfare, and space, where our reliance on technology has given us great strengths and great opportunities, but also led to vulnerabilities that adversaries can seek to exploit.

Key to our approach is being able to deter our most advanced competitors. We must have and be seen to have the ability to ensure that anyone who starts a conflict with us will regret doing so.

To be clear, the U.S. military would fight very differently than we have in Iraq and Afghanistan or in the rest of the world's recent memory. We will and must be prepared for a high end enemy, what we call full spectrum. In our budget, our capabilities, our readiness, and our actions, we must demonstrate to potential foes that if they start a war, we have the capability to win, because a force meant to deter conflict must show that it can dominate a conflict.

In this context, Russia and China are our most stressing competitors, as they have both developed and continue to advance military systems, including anti-access systems, that seek to threaten our advantages in specific areas. We saw it last week in the South China Sea. We see it in Crimea and Syria as well. In some cases, they are developing weapons and ways of war that seek to achieve their objectives rapidly, before they think we can respond.

Now, we don't desire conflict with either country. And while I need to say that they pose some similar challenges militarily, they are very different nations, very different situations, and our preference is to work together with important nations. But we also can-

not blind ourselves to their apparent goals and actions. Because of this, DOD has elevated their importance in our planning and our budgeting.

In my written testimony, I have detailed how our budget makes critical investments to help us better address these five evolving challenges. We are strengthening our deterrence posture in Europe by investing \$3.4 billion for our European Reassurance Initiative, quadruple what we requested last year. We are prioritizing training and readiness for our ground forces and reinvigorating the readiness and modernization of our fighter aircraft fleet. We are investing in innovative capabilities like swarming 3D-printed microdrones, the Long Range Strike Bomber, and the arsenal plane, as well as advanced munitions, like the maritime strike Tomahawk, the long range antiship missile, and the newly antiship capable SM-6 missile, in which we are investing nearly \$3 billion to maximize production over the next 5 years.

We are emphasizing lethality in our Navy, with new weapons and high end ships, and by extending our commanding lead in undersea warfare, with new investments in unmanned undersea vehicles, for example, more submarines with the versatile Virginia Payload Module that triples their strike capacity from 12 Tomahawks to 40 Tomahawks.

And we are doing more in cyber, electronic warfare, and in space, investing in these three domains a combined total of \$34 billion in 2017 to, among other things, help build our Cyber Mission Force, develop next generation electronic jammers, and prepare for the possibility of a conflict that extends into space.

In short, DOD will continue to ensure our dominance in all domains.

As we do this, our budget also seizes opportunities for the future. That is a responsibility I have to my successors, to ensure the military and the Defense Department they inherit is just as strong, just as fine, if not more so, than the one I have the privilege of leading today.

That is why we are making increased investments in science and technology and building new bridges to the amazing American innovative system to stay ahead of future threats. It is why we are also innovating operationally, making our contingency plans and operations more flexible and dynamic in every region.

It is why we are building what I have called the force of the future, because as good as our technology is, it is nothing compared to our people. And in the future, we need to continue to recruit and retain the very best talent from future generations.

That is also why we are opening all combat positions to women, as well as doing more to support military families, to improve retention, and also to expand our access to 100 percent of America's population for our All-Volunteer Force.

And because we owe it to America's taxpayers to spend our defense dollars as wisely and responsibly as possible, we are also pushing for needed reforms across the DOD enterprise, from continuously improving acquisitions, to further reducing overhead, to proposing new changes to the Goldwater-Nichols Act that defines much of our institutional organization.

Let me close on the broader shift reflected in this budget. We in the Defense Department don't have the luxury of just one opponent or the choice between current fights and future fights. We have to do both. That is what this budget is designed to do, and we need your help to succeed.

I thank this committee again for overwhelmingly supporting the Bipartisan Budget Act that set the size of our budget. Our submission focuses on the budget shape. We hope you approve it.

I know some may be looking at the difference between what we proposed last year and what we got in the budget deal, but I want to reiterate that we have mitigated that difference and this budget meets our needs. That budget deal was a good deal. It gave us stability, and for that, we remain grateful.

Doing something to jeopardize that stability would concern me deeply. The greatest risk we face in the Department of Defense is losing that stability this year and having uncertainty and sequester and caps in future years. That is why going forward, the biggest concern to us strategically is Congress averting the return of sequestration next year so we can sustain all these critical investments over time.

We have done this before, if we think back to historic defense investments that made our military more effective, not only technologies like GPS, the Internet, and satellite communications, but also in other areas, like especially the All-Volunteer Force. They were able to yield tremendous benefits because they garnered support across the aisle, across branches of government, and across multiple administrations.

That same support is essential today to address the security challenges we face and to seize the opportunities within our grasp. As long as we work together to do so, I know our national security will be on the right path and America's military will continue to defend our country and help make a better world for generations to come.

Thank you.

[The written statement of Secretary Carter follows:]

AS PREPARED – EMBARGOED UNTIL DELIVERY

**SECRETARY OF DEFENSE ASH CARTER
SUBMITTED STATEMENT TO THE HOUSE APPROPRIATIONS
COMMITTEE – DEFENSE ON THE FY 2017 BUDGET REQUEST FOR
THE DEPARTMENT OF DEFENSE
THURSDAY, FEBRUARY 25, 2016**

I. PURPOSE OF THIS TESTIMONY

Chairman Frelinghuysen, Ranking Member Visclosky, Members of the Committee: Thank you for inviting me here today, and for your steadfast support for the men and women of the Department of Defense (DoD), military and civilian alike, who serve and defend our country all over the world. I'm pleased to be here with Chairman Dunford to discuss President Obama's Fiscal Year (FY) 2017 budget submission for the Defense Department.

At this time last year, we were all facing the bleak prospect of looming budget sequestration, and the damage its return would do to our people and our mission. I'm grateful that our country's leaders were able to come together last fall to avert that dismal future, and reach a budget deal that – after several years of fiscal turmoil and reductions – has allowed for greater investment in all our elements of national security and strength. That was what I urged since becoming Secretary of Defense, including in last year's budget testimony before this committee, and given the threat environment we face around the world, forging that deal was the responsible thing to do. It allows our military personnel and their families to know their future more than just one year at a time, which they deserve. It lets our defense industry partners be more efficient and cutting edge, as we need them to be. And, perhaps most importantly, it sends a signal to the world – to friends and potential foes alike – of our nation's strength and resolve.

The President's budget submission accordingly adheres to that budget deal – requesting a total of \$582.7 billion for the Defense Department in FY 2017, for both the base budget and Overseas Contingency Operations (OCO) funds combined. How we plan to invest those funds, along with our planned investments for the next five years – as detailed in the customary Future Years Defense Program (FYDP) that's included in the President's budget submission – are critical to DoD's ability to carry out our mission of national defense with the excellence the American people expect of their military, which is today the finest fighting force the world has ever known.

As you know, no one got everything they wanted in the budget deal – I said last year that we needed to rise above our differences, and I'm glad many members of Congress were able to do that – so in budgeting and programming for FY 2017, we had to make responsible choices. The President's budget submission reflects those choices, and we need your support for them. This is particularly true for prudent and necessary reforms – some of which the Congress has long denied, in spite of the cost to both DoD and to America's taxpayers. Indeed, while DoD is grateful to this and the other defense committees for your support for the budget deal, it is also the defense committees that in recent years have been tying our hands on reform, as I will address later in this testimony.

We should remember, however, that the budget deal only covered two years. Unless Congress addresses the years beyond it and heads off sequestration, DoD will face \$100 billion in cuts from 2018 to 2021, which would introduce unacceptable risks. So Washington will need

AS PREPARED – EMBARGOED UNTIL DELIVERY

to come together once again – not unlike last year, and two years before that – to provide stability and protect our national security.

That's important, because in this budget submission, we're taking the long view. We have to, because even as we must fight and win today's fights, we must also be prepared to deter and if necessary fight and win the fights that might come 10, 20, or 30 years down the road. Last fall's budget deal set the size of our budget, thereby allowing us to focus on the shape – making choices and tradeoffs to adjust to a new strategic era, and seize opportunities for the future.

II. A STRATEGIC TURNING POINT FOR THE DEFENSE DEPARTMENT

Let me now describe the strategic assessment that drove our budget decisions. First of all, it's evident that America is still today the world's foremost leader, partner, and underwriter of stability and security in every region across the globe, as we have been since the end of World War II. As we fulfill this enduring role, it's also evident that we're entering a new strategic era.

Context is important here. A few years ago, following over a decade when we were focused on large-scale counterinsurgency operations in Iraq and Afghanistan, DoD began embarking on a major strategy shift to sustain our lead in full-spectrum warfighting. While the basic elements of our resulting defense strategy remain valid, it's also been abundantly clear to me over the last year that the world has not stood still since then – the emergence of ISIL, and the resurgence of Russia, being just the most prominent examples.

This is reflective of a broader strategic transition underway, not unlike those we've seen in history following major wars. Today's security environment is dramatically different – and more diverse and complex in the scope of its challenges – than the one we've been engaged with for the last 25 years, and it requires new ways of thinking and new ways of acting.

Accordingly, five evolving challenges are now driving the focus of DoD's planning and budgeting.

Two of these challenges reflect a recognition of – return to, in some ways – great power competition. This is something we haven't seen for some time, and that requires heightened focus given its potential impact on our nation and the world. The first such challenge is in Europe, where we're taking a strong and balanced approach to deter Russian aggression – we haven't had to devote a significant portion of our defense investment to this possibility for 25 years, and while I wish it were otherwise, now we do. The second is in the Asia-Pacific, where we haven't faced great power competition since the end of World War II, and where China is rising, which is fine, but behaving aggressively, which is not. There, where we're continuing our rebalance, in terms of weight of effort, to maintain the regional stability we've underwritten for the past 70 years, allowing so many nations to rise and prosper in this, the single most consequential region for America's future.

Meanwhile, two other longstanding challenges pose threats in specific regions. One is North Korea, which remains dangerous to both us and our allies – that's why our forces on the Korean Peninsula remain ready, as they say, to “fight tonight.” The other is Iran – because while the nuclear accord is a good deal for preventing Iran from getting a nuclear weapon, and doesn't limit DoD in any way, we must still deter Iranian aggression and counter Iran's malign influence against our friends and allies in the region, especially Israel, to whom we maintain an unwavering and unbreakable commitment.

Challenge number five, no less important than the other four, is our ongoing fight to counter terrorism, and especially defeat ISIL – most immediately in its parent tumor in Iraq and

AS PREPARED – EMBARGOED UNTIL DELIVERY

Syria, and also where it is metastasizing, in Afghanistan, Africa, and elsewhere – at the same time as we’re protecting our homeland. While ISIL must and will be defeated now, in the longer perspective and in our budgeting we must also take into account that as destructive power of greater and greater magnitude falls into the hands of smaller and smaller groups of people, countering terrorists will be a continuing part of the future responsibilities of DoD and other national security leaders.

DoD must and will address all five of these challenges as part of its mission to defend this country. Doing so requires some new investments on our part, new posture in some regions, and also new and enhanced capabilities.

Key to our approach is being able to deter the most advanced adversaries while continuing to fight terrorist groups. This means we must have – and be seen to have – the ability to impose unacceptable costs on an advanced aggressor that will either dissuade them from taking provocative action, or make them deeply regret it if they do. To be clear, the U.S. military will be ready to fight very differently than we have in Iraq and Afghanistan, or in the rest of the world’s recent memory. We will be prepared for a high-end enemy – what we call full-spectrum. In our budget, our plans, our capabilities, and our actions, we must demonstrate to potential foes that if they start a war, we are able to win, on our terms. Because a force meant to deter conflict can only succeed in deterrence if it can show that it will dominate a conflict.

We have this ability with respect to North Korean and Iranian military forces, as well as in executing the military aspects of countering terrorists, as we’re doing now against ISIL. That won’t change, even as we know that military power alone cannot prevail – nor can the United States alone deliver a lasting defeat – against the toxic ideology of terrorists like ISIL that have so little regard for the lives of fellow human beings.

In this context, Russia and China are our most stressing competitors, as they’ve both developed and are continuing to advance military systems that threaten our advantages in specific areas, and in some cases, they’re developing weapons and ways of war that seek to achieve their objectives in ways they hope would preempt a response by the United States. Because of these facts, because the implications of any great-power conflict would be so dire for the United States and the world, and because of those nations’ actions to date – from Ukraine to the South China Sea – DoD has elevated their importance in our defense planning and budgeting to ensure we maintain our advantages in the future.

While we do not desire conflict with any of these nations – and, to be clear, though they pose some similar defense challenges, they are very different nations and situations – we also cannot blind ourselves to the actions they choose to pursue. That is the responsible course of action for the Defense Department. Our military is first and foremost a warfighting force, and even as we seek to deter wars, we must also be prepared to fight and win them, which is itself a key part of deterrence.

Our military must be balanced with the proper size and capability to defeat any attack against U.S. forces and our allies. And because of the decisions in this budget, our military will be better prepared for both present and future challenges, and better positioned to deter, and if necessary fight and win, wars against even the most high-end of potential adversaries.

As this budget addresses those five evolving challenges, it also seizes great opportunities – in supporting new and innovative operational concepts; in pioneering and dominating technological frontiers, including undersea, cyber, space, electronic warfare, and other advanced capabilities; in reforming the defense enterprise; and in building the force of the future. I will address the investments we’re making to do so later in this testimony.

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III. SUPPORTING THE STRENGTH AND WELLNESS OF TODAY'S FIGHTING FORCE

Before I address how this budget ensures we meet those challenges and seize those opportunities, I want to first emphasize our enduring commitment to supporting the men, women, and families of the world's finest fighting force. Above all, this means exercising the utmost care in decisions involving the deployment and employment of our troops. It also requires devoting a significant share of our budget every year toward supporting the people, military and civilian alike, who execute DoD's missions around the world.

To ensure we have a force that's ready to carry out today's missions, this budget invests in the four main things that every soldier, sailor, airman, and Marine needs to do their job – the right training; the right equipment; the right force size, meaning the right number of people alongside them; and the right compensation.

The Right Training

In FY 2017 and beyond, the budget makes critical investments in training throughout the force to rebuild toward full-spectrum combat readiness and continue recovering from the damage caused by sequestration in recent years – though, it's important to remember that restoring readiness requires not only sufficient funding, but also time. The budget maximizes use of the Army's decisive action Combat Training Centers, funding 19 total Army brigade-level training rotations. It largely sustains the Navy and Marine Corps' current training and readiness levels for FY 2017 – optimizing Navy training while maximizing the availability of naval forces for global operations, and fully funding the Marine Corps' integrated combined arms exercises for all elements of its Marine Air-Ground Task Forces. And, because recent operational demands like the fight against ISIL have slowed the Air Force's return to full-spectrum readiness, the budget increases funding – as part of a \$1 billion increase over the FYDP to support Air Force readiness – to modernize and expand existing Air Force training ranges and exercises here at home, providing pilots and airmen with more realistic training opportunities when they're not deployed.

The Right Equipment

The budget also makes important investments to provide our men and women in uniform with functioning, well-maintained equipment so that when we send them into the fights of today, they're able to accomplish their mission and come home safely. For example, to address the Navy and Marine Corps' growing maintenance backlog in tactical aviation, the budget funds a 15-percent increase in F-18 depot maintenance capacity, and it buys an additional 16 F/A-18 E/F Super Hornet fighter jets between now and FY 2018 – providing a significant boost to the health of the Navy and Marine Corps' 4th-generation fighter aircraft fleet so it's ready and capable for today's missions. To help ensure the Air Force has enough ready and capable aircraft for both combat missions and intelligence, surveillance, and reconnaissance (ISR), the budget funds improvements in the avionics and electronic warfare systems of legacy fighter and bomber aircraft, and it supports the Air Force's 'get well plan' for remotely-piloted aircraft.

The budget also makes critical investments in every domain to research, develop, test, evaluate, and procure the right technology and equipment our military will need to deter and if

AS PREPARED – EMBARGOED UNTIL DELIVERY

necessary fight and win full-spectrum conflicts in the future. I will detail those investments later in this testimony.

The Right Force Size

The flexibility provided by last fall's budget deal allowed us to maintain DoD's desired targets across the FYDP for end-strength and active-reserve mix for our ground forces – without it, sequestration likely would have forced further reductions. Therefore, the budget stabilizes our total ground force end-strength by the end of FY 2018 with an Army of 450,000 active-duty soldiers, 335,000 soldiers in the Army National Guard, and 195,000 soldiers in the Army Reserve – comprising 56 total Army brigade combat teams and associated enablers – and a Marine Corps of 182,000 active-duty Marines and 38,500 Marine reservists. For the Navy, the budget continues to grow the size, and importantly the capability, of the battle fleet – providing for 380,900 active-duty and reserve sailors in FY 2017, and an increase from 280 ships at the end of FY 2016 to 308 ships at the end of the FYDP. The budget also supports an Air Force of 491,700 active-duty, reserve, and National Guard airmen – maintaining 55 tactical fighter squadrons over the next five years, and providing sufficient manpower to address high operating tempo and shortfalls in maintenance specialists for both tactical fighters and remotely-piloted aircraft.

The Right Compensation

In FY 2017, the budget provides \$177.9 billion in pay and benefits – including health care, housing allowances, commissaries, retirement, and other benefits – for DoD's 2.1 million military personnel and their families. I will discuss DoD's proposed reforms to some of these areas later in this testimony. To help make sure DoD is competitive for the best talent, the budget includes a department-wide pay raise of 1.6 percent in FY 2017. This is an increase above FY 2016's pay raise of 1.3 percent.

It's important to note that of all the cuts we've taken to our previously-planned budgets since the Budget Control Act was passed, including cuts from sequestration – altogether so far totaling at least \$800 billion over ten years – less than 9 percent of those reductions came from military compensation proposals. This should make clear that we've worked extremely hard to protect our people, and that we do need to address some places where savings can be found, such as through modernizing and simplifying our military healthcare system, which I address later in this testimony.

More Than Military Readiness

Beyond ensuring the combat readiness of America's military, our commitment to the force of today also encompasses what we're doing to ensure the dignity of our people. We're putting a priority on preventing and eliminating sexual harassment and sexual assault in the military, investing \$246 million in FY 2017 to help support survivors, reduce retaliation for reporting, and eradicate these crimes from our ranks – and soon, DoD will deliver to Congress our strategy on addressing retaliation, in particular. We're also helping provide transition support and advocating for employment opportunities for veterans, investing a total of \$109 million in FY 2017 so our people can make the most of their potential and keep making a difference when they complete their service in uniform. And we're fostering greater diversity of our force, because our strength depends on being open to the widest possible pool of talent that can meet our standards – young Americans today are more diverse, open, and tolerant than past

AS PREPARED – EMBARGOED UNTIL DELIVERY

generations, and if we're going to attract the best among them to contribute to our mission, we ourselves have to be more diverse, and open, and tolerant, too. It's the only way to compete in the 21st century.

That's one reason why we're opening all remaining combat positions to women, so that we have access to 50 percent of our population for every position in the all-volunteer force, and every American who can meet our exacting standards has the full and equal opportunity to contribute to our mission. That said, since the declaration that opens all career fields to women is by itself not sufficient for their full integration, I've asked the military services to mitigate any concerns about combat effectiveness by incorporating my seven guiding principles – transparent standards, population size, talent management, physical demands and physiological differences, operating abroad, conduct and culture, and assessment and adjustment – into their implementation plans. First and foremost, this means the services will continue to apply objective standards for all career fields to ensure leaders assign tasks and career fields throughout the force based on ability, not gender. This may mean in some cases, equal opportunity may not always equate to equal participation. Integration provides equal opportunity for men and women who can perform the tasks required; it does not guarantee women will fill these roles in any specific number or at any set rate, as adherence to a merit-based system must continue to be paramount. Also, we must incorporate concrete ways to mitigate the potential for higher injury rates among women, and leverage lessons learned from Iraq and Afghanistan to address concerns regarding operating in areas where there is cultural resistance to working with women. We must address attitudes toward team performance through education and training, including making clear that sexual assault or harassment, hazing, and unprofessional behaviors are never acceptable. Our core beliefs in good order, discipline, leadership, and accountability are foundational to our success in integration. And it is absolutely critical that we embark on integration with a commitment to the monitoring, assessment, and in-stride adjustment that enables sustainable success.

Finally, it's important to remember that our commitment to the force of today is not limited to those who serve in uniform. In FY 2017, it also includes \$79.3 billion to support our civilian workforce of 718,000 Americans – men and women across the country and around the world who do critical jobs like helping repair our ships and airplanes, providing logistics support, developing and acquiring weapon systems, supporting survivors of sexual assault, and helping care for our military's wounded, ill, and injured personnel. The budget includes \$7.7 billion to support our military families, because they serve too. It includes \$3.1 billion to help take care of our wounded warriors, to whom our commitment is and must remain as strong as ever. And it includes our enduring pledge to support the families of the fallen, whose loved ones made the ultimate sacrifice on behalf of our country.

IV. ADJUSTING TO STRATEGIC CHANGE

Another significant portion of our budget goes toward DoD's current operations all around the world, in every domain, to help defend our country, our allies, and our interests. Our budget's investments and programming decisions in this area reflect my commitment to helping the President address key national security challenges, and my priorities for how we must adjust to strategic change – in countering terrorists, whether ISIL, al-Qaeda, or others; in taking a strong and balanced approach to deter Russian aggression; in operationalizing our rebalance to the Asia-Pacific; in deterring Iranian aggression and malign influence; in standing alert on the

AS PREPARED – EMBARGOED UNTIL DELIVERY

Korean Peninsula; and in addressing threats from multiple directions in cyber, space, and electronic warfare.

Countering Terrorism

It is clear that our mission of countering terrorists and other violent extremists around the world will be with us for some time. The Department of Defense has strong counterterrorism capabilities, and we continue to deploy them to protect America.

Dealing ISIL a Lasting Defeat

We must and will deal ISIL a lasting defeat, which is why the budget provides \$7.5 billion in FY 2017 for Operation Inherent Resolve. This investment will be critical to continuing to implement and accelerate the coalition military campaign plan that the United States has developed, that our key allies support, and that focuses on three military objectives: One, destroy the ISIL parent tumor in Iraq and Syria by attacking its two power centers in Mosul, Iraq and Raqqa, Syria; these cities constitute ISIL's military, political, economic and ideological centers of gravity, which is why our plan has big arrows pointing toward both. Two, combat the emerging metastases of the ISIL tumor worldwide wherever they appear. And three, our most important mission, which is to protect the homeland.

To eliminate the parent tumor in Iraq and Syria, DoD is enabling local, motivated forces with critical support from a global coalition wielding a suite of capabilities-ranging from airstrikes, special forces, cyber tools, intelligence, equipment, mobility and logistics, training, advice and assistance. It must be local forces who deliver ISIL a lasting defeat, because only they can secure and govern the territory by building long-term trust within the populations they liberate. We can and will enable such local forces, but we cannot substitute for them. Accordingly, the budget's investment in the counter-ISIL campaign includes \$630 million for training and equipping the Iraqi Security Forces, and \$250 million for enabling Syrian anti-ISIL forces.

This is a worthy investment, as we've already started to see our investments over the last several months start to pay off. For example, it was Iraqi soldiers who took back the Ramadi city center, reversing a loss the Iraqi army suffered last spring. Our support to them included advanced training, tactics, air support, and the portable bridges that carried the Iraqi military across the Euphrates River and into the decisive fight. Ramadi, like recent Iraqi gains in Bayji, Tikrit, and Sinjar all demonstrate the approach we are taking is having an effect as Iraqis prepare for what will be a tough fight for Mosul. Likewise in Syria, local anti-ISIL forces we've enabled with equipment and ammunition have had successes in Tal Abyad, al-Hawl, and the Tishreen Dam. It is imperative to keep building on this momentum.

As we work with our partners to destroy ISIL's parent tumor in Iraq and Syria, we must also recognize that ISIL is metastasizing in areas like North and West Africa and Afghanistan. Having taken out ISIL's leader in Libya in November, we are also now prepared to step up pressure on ISIL in Afghanistan to check their ambitions there as well.

Finally, at the same time that we accelerate our campaign, so must every one of our coalition partners – there can be no free riders. That's why earlier this month in Brussels I convened the first-ever meeting of defense ministers from 27 other countries involved in the military coalition to defeat ISIL to follow up after I personally reached out to dozens of defense ministers to urge them to consider filling critical military and non-military needs in the campaign. And I'm gratified to report that coalition members responded to our challenge – and

AS PREPARED – EMBARGOED UNTIL DELIVERY

not only NATO allies like Canada and the Netherlands, but also Gulf nations, including Saudi Arabia and the United Arab Emirates. In sum, nearly 90 percent of the countries participating in the coalition's military campaign have either stepped up their role or committed to do so in the coming days. Their decisions to expand air operations, send more trainers, provide logistical support, help with reconstruction, or make other contributions will all help our coalition intensify the counter-ISIL campaign and bring about ISIL's lasting defeat.

None of this changes the fact that our counter-ISIL campaign is a hard and complex fight. We have tactical and strategic goals, but they will take time – and, as is often said, the enemy gets a vote. For our part, we will remain focused, committed, and resilient because this is a fight we can, must, and will win, as our efforts to accelerate our campaign are already producing real and promising results.

Ensuring Long-Term Stability in Afghanistan

After more than a decade of war in Afghanistan, we have to make sure our gains there stick, which is why the budget continues to support our two missions in Afghanistan – countering terrorism, and training, advising, and assisting the Afghan National Defense and Security Forces (ANDSF). In support of those two missions, the President announced last fall that the United States will maintain a continued presence of 9,800 troops through most of 2016 before drawing down to 5,500 troops by January 2017. As I told our troops there when I visited them this past December, while Afghanistan remains a dynamic fight, we are determined to ensure that terrorists – regardless of whether they're al-Qaeda or ISIL – never have or find safe haven there again.

The budget provides \$41.7 billion in FY 2017 for Operation Freedom's Sentinel – including funding to support our posture in U.S. Central Command, the full funding of \$3.4 billion to support the ANDSF, and \$1.4 billion to support other coalition partners. Importantly, this allows us to continue strengthening and developing the ANDSF's aviation, logistics, intelligence, and special operations capabilities, with the intent of reducing their dependency on us over time. Also, in addition to upholding our commitments to Afghanistan, the Afghan people, and other partners, the budget reflects that the United States will retain several key locations in 2016 and beyond, including facilities in Kabul, Bagram, Jalalabad, and Kandahar. As we do so, the United States will support the continuation of the NATO mission in Afghanistan in 2016 and beyond, and continue to consult with our NATO allies and partners to ensure that the U.S. and NATO missions in Afghanistan are mutually supportive.

Our continued presence in Afghanistan is not only a sensible investment to counter threats that exist and stay ahead of those that could emerge in this volatile region; it also supports the willing partner we have in the government of Afghanistan. It is in the United States' interest to help them succeed, for the benefit of their security, our security, the region and the world.

Closing the Detention Facility at Guantanamo

The Defense Department is resolutely committed to responsibly closing the detention facility at Guantanamo Bay. I share the President's belief – and the belief of many in Congress – that doing so would benefit our national security, which is why DoD will continue to transfer Guantanamo detainees to other countries when appropriate, such as when we have substantially mitigated any security risks to the United States.

Over the last three months, we completed transfers for 16 detainees, bringing the population to 91. Like every transfer that came before them, the decision to transfer these

AS PREPARED – EMBARGOED UNTIL DELIVERY

detainees happened only after a thorough review by me and other senior security officials of our government.

That said, because many of the remaining detainees currently cannot be safely transferred to another country, we need an alternative to this detention facility. Therefore, I support the President's plan to establish and bring those detainees to an appropriate, secure, alternative location in the United States. I appreciate that Congress has indicated a willingness to consider such a proposal, and, in accordance with the 2016 National Defense Authorization Act, DoD delivered that plan to Congress earlier this week. We look forward to working with Congress to identify the most appropriate design, legislative foundation, and geographic location for future detention and to lift the restrictions preventing the responsible closure of the facility at Guantanamo.

Supporting and Maintaining our Counterterrorism Capabilities

In addition to the specific funds outlined above, the budget also reflects other investments we're making in DoD's posture to ensure we can counter terrorism effectively wherever it challenges us. For example, the budget sustains our robust funding for U.S. Special Operations Command, allocating \$10.8 billion in FY 2017. To bolster our partners in fighting terrorism, it requests \$1 billion for our Counterterrorism Partnerships Fund. And it supports the development of DoD's transregional counterterrorism strategy, which I'd like to outline now.

The terrorist threat is continually evolving, changing focus and shifting location, requiring us to be flexible, nimble, and far-reaching in our response. Accordingly, the Defense Department is leveraging the existing security infrastructure we've already established in Afghanistan, the Middle East, East Africa, and Southern Europe, so that we can counter transnational and transregional terrorist threats like ISIL and others in a sustainable, durable way going forward. From the troops I visited in Morón, Spain last October, to those I visited in Jalalabad, Afghanistan last December, these locations and associated forces in various regions help keep us postured to respond to a range of crises, terrorist and other kinds. In a practical sense, they enable our crisis response operations, counter-terror operations, and strikes on high-value targets, and they help us act decisively to prevent terrorist group affiliates from becoming as great of a threat as the main entities themselves. This transregional approach is already giving us the opportunity and capability to react swiftly to incidents and threats wherever they occur, and it maximizes our opportunities to eliminate targets and leadership. An example of this in action was our November strike on Abu Nabil, ISIL's leader in Libya, where assets from several locations converged to successfully kill him. To help implement this strategy, including in the fight against ISIL and its metastasis beyond Iraq and Syria, the budget includes an additional \$175 million in FY 2017 – \$9 million to help bolster our posture in the Levant, and \$166 million to help us better address threats in North and West Africa in conjunction with our European partners.

Because the accelerating intensity of our precision air campaign against ISIL in Iraq and Syria has been depleting our stocks of some of the GPS-guided smart bombs and laser-guided rockets we use against terrorists the most, the budget invests \$1.8 billion in FY 2017 to buy over 45,000 more of them. Furthermore, DoD is also exploring increasing the production rate of these munitions in our industrial base – calling on America's great arsenal of democracy to help us and our partners finish the job of defeating ISIL.

Also, because our remotely-piloted intelligence, surveillance, and reconnaissance (ISR) aircraft play an important role in countering terrorism, the budget includes \$1.2 billion for FY

AS PREPARED – EMBARGOED UNTIL DELIVERY

2017 and \$4.5 billion over the FYDP to increase the number of around-the-clock permissive ISR combat air patrols from 70 today to 90 by the end of FY 2018. Using a mix of MQ-9 Reapers, Extended Range Reapers, and MQ-1C Advanced Gray Eagles – and comprising 60 patrols from the Air Force, 16 from the Army, and 14 that are government-owned and flown by contractors for the Air Force and U.S. Special Operations Command – these investments will be critical as the need for ISR continues to increase around the world.

Finally, because it helps us maintain a larger Air Force fighter fleet that can drop more smart bombs in our counter-ISIL air campaign, the budget also further defers the A-10 Thunderbolt's final retirement until 2022. I saw some of the A-10s that are flying bombing missions against ISIL when I was at Incirlik Air Base in Turkey last December, and we need the additional payload capacity they can bring to the fight. Accordingly, we are also changing the rate at which we will phase out the A-10 as we approach 2022, as I will explain later in this testimony.

A Strong and Balanced Strategic Approach to Deter Russia

Despite the progress we've made together since the end of the Cold War, Russia has in recent years appeared intent to erode the principled international order that has served us, our friends and allies, the international community, and also Russia itself so well for so long. In Europe, Russia continues to violate the sovereignty of Ukraine, Georgia, and Moldova, and actively seeks to intimidate its Baltic neighbors. In Syria, Russia has been pouring gasoline on a civil war that fuels the very extremism Russia claims to oppose. At sea, in the air, in space, and in cyberspace, Russian actors have engaged in challenging international norms. And most disturbing, Moscow's nuclear saber-rattling raises questions about Russia's leaders' commitment to strategic stability, their respect for norms against the use of nuclear weapons, and whether they respect the profound caution that nuclear-age leaders showed with regard to brandishing nuclear weapons.

To be clear, the United States does not seek a cold, let alone hot war with Russia. We do not seek to make Russia an enemy, even as it may view us that way. But make no mistake – we will defend our interests, our allies, the principled international order, and the positive future it affords us all. That's why the United States is taking a strong and balanced strategic approach in response to Russia's aggression: strengthening both our allies and ourselves, including through investments in this budget, while also giving Russia the opportunity, if it chooses, to rejoin the international community and work with us where our interests align.

Since Russia began its illegal attempted annexation of Crimea a little over two years ago, DoD's budgets have made valuable investments in reinforcing our NATO allies; for example, contributing to NATO's Very High Readiness Joint Task Force, and stepping up our training and exercises under Operation Atlantic Resolve. This budget builds on that significantly, and breaks new ground by re-envisioning and recommitting to deterring – and, if deterrence fails, defeating – any aggression against our allies in the future. The 20th century NATO playbook was successful in working toward a Europe whole, free and at peace, but the same playbook would not be well-matched to the needs of the 21st century. Together with our NATO allies, we must write a new playbook which includes preparing to counter new challenges like cyber and hybrid warfare, better integrating conventional and nuclear deterrence, as well as adjusting our posture and presence to adapt and respond to new challenges and new threats.

To further reinforce our NATO allies and build our deterrence posture in the face of Russia's aggression, this budget significantly increases funding for our European Reassurance

AS PREPARED – EMBARGOED UNTIL DELIVERY

Initiative to make a total investment of \$3.4 billion for FY 2017 – more than quadrupling the \$789 million that we requested last year – allowing us to increase the amount of prepositioned equipment sets in Europe as well as the number of U.S. forces, including Reserve forces, rotating through Europe to engage with friends and allies. This increase supports the persistent rotational presence of an armored brigade combat team for 12 months out of the year, which will give us a total of three brigade combat teams continuously present in Europe. It supports more training and exercises with our European friends and allies. It supports more warfighting gear, including forward-stationing equipment for an additional armored brigade combat team by the end of 2017. It supports prepositioning equipment for a division headquarters and other enablers in Europe, such that this equipment – along with assigned Army airborne and Stryker brigade combat teams and Marine Corps heavy vehicles and equipment already in Europe – will allow us to rapidly form a highly-capable combined-arms ground force of division-plus strength that can respond theater-wide if necessary. And it helps strengthen our regional air superiority posture – among other things, allowing us to keep an additional F-15C tactical fighter squadron based in Europe, and also improve airfield infrastructure to enhance operations for Air Force fighters and Navy maritime patrol aircraft.

In addition, the budget reflects how we're doing more, and in more ways, with specific NATO allies. Given increased Russian submarine activity in the North Atlantic, this includes building toward a continuous arc of highly-capable maritime patrol aircraft operating over the Greenland-Iceland-United Kingdom gap up to Norway's North Cape. It also includes the delivery of Europe's first stealthy F-35 Joint Strike Fighters to our British allies. And, given Russia's use of hybrid warfare – exemplified by the so-called 'little green men' in Ukraine – the budget supports more rotational presence of U.S. special operations forces exercising in Europe.

The budget also significantly funds important new technologies that, when coupled with revised operational concepts, will ensure we can deter and if necessary win a high-end conventional fight in an anti-access, area-denial environment across all domains and warfighting areas – air, land, sea, space, cyberspace, and the electromagnetic spectrum. While I will address these areas in greater detail later in this testimony, investments that are most relevant to deterring Russia include new unmanned systems, enhanced ground-based air and missile defenses, new long-range anti-ship weapons, the long-range strike bomber, and also innovation in technologies like the electromagnetic railgun, lasers, and new systems for electronic warfare, space, and cyberspace. The budget also invests in modernizing our nuclear deterrent.

Consistent with our strong and balanced approach, the door will remain open for Russia to reassume the role of respected partner going forward. While that would be greatly welcomed by the United States, and the Department of Defense, it's up to the Kremlin to decide – first by demonstrating a willingness to return to the international community.

Operationalizing the Rebalance to the Asia-Pacific

The budget also supports operationalizing our rebalance to the Asia-Pacific region. In a region home to nearly half the world's population and nearly half the global economy, for 70 years the United States has helped underwrite a stable security environment that allowed the people, economies, and countries in the Asia-Pacific to rise and prosper. We fully intend to continue these efforts so that bright future can be possible for everyone in this important region.

Accordingly, the budget helps improve DoD's geographically distributed, operationally resilient, and politically sustainable posture in the region, through which the United States seeks to preserve peace and stability, and maintain our strategic advantage in an area that's critically

AS PREPARED – EMBARGOED UNTIL DELIVERY

important to America's political, economic, and security interests. Investments in the budget reflect how we're moving more of our forces to the region – such as 60 percent of our Navy and overseas Air Force assets – and also some of our most advanced capabilities in and around the region, from F-22 stealth fighter jets and other advanced tactical strike aircraft, to P-8A Poseidon maritime surveillance aircraft, to our newest surface warfare ships. They also reflect how we're developing and implementing new posture initiatives – in places like Guam, the Northern Marianas, the Philippines, Australia, and Singapore, as well as modernizing our existing footprint in Korea and Japan. And they reflect our efforts to support and strengthen a regional security architecture that benefits everyone – from strengthening and modernizing our alliances, to bolstering our ties with the Association of Southeast Asian Nations (ASEAN), to building the security capabilities of our many friends and allies, who increasingly want to do more with us in the region. In support of this effort, the budget fully supports our five-year, \$425 million Southeast Asia Maritime Security Initiative begun in FY 2016.

For this region, as it does with Europe, the budget also significantly funds important new technologies to ensure we can deter and if necessary win a high-end conventional fight in an anti-access, area-denial environment across all domains and warfighting areas – air, land, sea, space, cyberspace, and the electromagnetic spectrum. These investments – which I will outline later in this testimony – are important for ensuring our forces can go anywhere, at any time, and succeed in whatever mission we ask of them.

It's important to remember that America's rebalance has never aimed to hold any nation back or push any country down. The United States wants every nation to have an opportunity to rise, because it's good for the region and good for our collective interests. That includes China. As we welcome the growth and prosperity of all Asia-Pacific nations, it is clear that the U.S.-China relationship will be complex as we continue to balance our competition and cooperation. There are opportunities to improve understanding and to reduce risk with China – for example, we've agreed to four confidence-building agreements, including one meant to prevent dangerous air-to-air encounters. But there remain areas of concern.

For one, the United States joins virtually everyone else in the region in being deeply concerned about the pace and scope of land reclamation in the South China Sea, the prospect of further militarization, as well as the potential for these activities to increase the risk of miscalculation or conflict among claimant states. U.S. military presence in the region is decades-old, has been instrumental in upholding the rules-based international system, and has laid the foundation for peace and security in the region. Our interest is in maintaining freedom of navigation and overflight, full and unimpeded lawful commerce, and that disputes are resolved peacefully. To accomplish this, we will continue to fly, sail, and operate wherever international law allows. We also expect China to uphold President Xi's pledge not to pursue militarization in the Spratly Islands of the South China Sea.

Also, we are closely watching the long-term, comprehensive military modernization program that China, as well as other countries, continues to pursue. While there is no question that the United States retains a decisive military edge in the Asia-Pacific today, China is investing in capabilities to counter third-party – including the United States – intervention during a crisis or conflict. These capabilities include ballistic and cruise missiles of increasingly greater range and accuracy, counter-space and offensive cyber capabilities, and electronic warfare systems. To maintain a lasting competitive advantage, DoD is taking prudent steps to preserve and enhance deterrence for the long term. The budget reflects this, including with investments to

AS PREPARED – EMBARGOED UNTIL DELIVERY

continue adapting our forces, posture, operations, and capabilities to deter aggression, defend our allies, and sustain our military edge in the Asia-Pacific.

Detering North Korea

The budget also supports investments necessary to deter North Korean provocation and aggression, ensure our forces on the Korean Peninsula remain ready and capable to ‘fight tonight’ if necessary, and defend against threats emanating from North Korea against the United States and our allies. This includes threats posed by North Korea’s nuclear and missile programs, against which DoD is fully capable of defending the U.S. homeland. Our position has been, and remains, that North Korea must abide by its international obligation to abandon its nuclear and missile programs and stop its provocative behavior.

North Korea’s nuclear test on January 6th and its ballistic missile launch on February 7th were highly provocative acts that undermine peace and stability on the Korean Peninsula and in the region. The United States condemns these violations of U.N. Security Council resolutions and again calls on North Korea to abide by its international obligations and commitments. We are monitoring and continuing to assess the situation in close coordination with our regional partners.

DoD remains fully capable of fulfilling U.S. treaty commitments to our allies in the event of a North Korean attack, and we’re working with our Republic of Korea allies to develop a comprehensive set of alliance capabilities to counter the growing North Korean ballistic missile threat. I spoke with my South Korean counterpart shortly after the nuclear test, and reiterated our commitments as strong and steadfast allies. Also, a few hours after the ballistic missile launch, the United States and the Republic of Korea jointly announced the start of formal consultations to discuss the feasibility of deploying a Terminal High-Altitude Area Defense (THAAD) system to the Korean Peninsula at the earliest date.

Checking Iran’s Malign Influence while Strengthening Regional Friends and Allies

The Middle East presents a kaleidoscope of challenges, but there, as everywhere, DoD’s budget – and accordingly our actions and strong military posture – is guided by our North Star of what’s in America’s interests. Defeating ISIL in Iraq and Syria, which I discussed earlier, is of course one of those interests, but amid this region’s complexity and uncertainty, we also have other interests of great importance, which are to deter aggression; to bolster the security of our friends and allies, especially Israel; to ensure freedom of navigation in the Gulf; and to check Iran’s malign influence even as we monitor the implementation of the Joint Comprehensive Plan of Action. That’s why DoD maintains tens of thousands of American personnel ashore and afloat in the region, along with our most sophisticated ground, maritime, and air and ballistic missile defense assets.

While the Joint Comprehensive Plan of Action places significant limitations on Iran that will effectively cut off its pathways to the fissile material for a nuclear bomb, it does not limit in any way what DoD can and will do to pursue our defense strategy in the region. It places no limits on our forces, our partnerships and alliances, our intensive and ongoing security cooperation, or on our development and fielding of new military capabilities – capabilities we will continue to advance. So if Iran were to commit aggression, our robust force posture ensures we can immediately respond and rapidly surge an overwhelming array of forces into the region, leveraging our most advanced capabilities married with sophisticated munitions that put no target out of reach.

AS PREPARED – EMBARGOED UNTIL DELIVERY

This budget invests in maintaining those abilities going forward, which is important, because Iran and its proxies will still present security challenges. Iran supports Assad in Syria, backs Hezbollah in Lebanon, and is contributing to disorder in Yemen, while still directing hostility and violence to our closest ally in the region, Israel. To continue to meet our commitments and enhance our cooperation with our friends and allies in the region, especially Israel, the budget makes critical investments – including \$146 million to support Israel in FY 2017. This reflects our unshakeable commitment to Israel and its security, with funding for Iron Dome, David's Sling, Arrow, and other cooperative defense programs – not only ensuring that Israel can defend itself, but also preserving and enhancing Israel's qualitative military edge, which is a cornerstone of our defense relationship.

Meanwhile, with critical investments in other areas, the budget enables DoD to continue to advance our preparations, posture, partnerships, and planning to preserve the President's options for any contingency. It strengthens the regional security architecture in a way that blunts Iran's ability to coerce its neighbors. And it helps us stay ahead of the risks posed by Iran's ballistic missiles, naval forces, cyber capabilities, and support for terrorists and others in the region.

Addressing Threats in Cyber, Space, and Electronic Warfare

Even as we make adjustments in our budget to address the five evolving challenges posed by Russia, China, Iran, North Korea, and terrorist groups like ISIL and al-Qaeda, we are also making adjustments to address emerging and increasing threats that transcend individual nations and organizations. That's because, as we confront these five challenges, we know we'll have to deal with them across all domains – and not just the usual air, land, and sea, but also particularly in the areas of cyber, space, and electronic warfare, where our reliance on technology has given us great strengths, but also led to vulnerabilities that potential adversaries are eager to exploit.

As I made clear when I released DoD's new cyber strategy last April, we have three missions in cyberspace – first and foremost, to defend our networks, systems, and information; second, to defend the nation and our interests from cyberattacks of significant consequence; and third, to provide options that can augment our other military systems. Given the increasing severity and sophistication of the threats and challenges we're seeing in cyberspace – ranging from ISIL's pervasive online presence to the data breaches at the Office of Personnel Management – the budget puts a priority on funding our cyber strategy, investing a total of \$6.7 billion in FY 2017 and \$34.6 billion over the FYDP. This is a \$900 million increase over last year's budget. While these funds will help us continue to develop, train, and equip our growing Cyber Mission Force, and also make new technological investments to strengthen our cyber defenses and capabilities – both of which I address later in this testimony – the budget also reflects our efforts to make a fundamental shift toward a culture of accountability in cyberspace, from instituting a DoD-wide cybersecurity scorecard to monitor our progress to increasing individual knowledge about practical ways to defend against cyber intrusions. Our people understandably hold themselves to very high standards when it comes to caring for, attending to, using, and being accountable for the weapons they carry into battle, and we must do the same when it comes to interacting with our networks and cyber capabilities – not only among our cyber warriors and IT professionals, but throughout the DoD workforce.

While at times in the past space was seen as a sanctuary, new and emerging threats make clear that's not the case anymore, and we must be prepared for the possibility of a conflict that extends into space. This means that as we continue to ensure our access to space so we can

AS PREPARED – EMBARGOED UNTIL DELIVERY

provide capabilities like reconnaissance, GPS, and secure communications that enable and enhance our operations in other domains, we must also focus on assuring and defending these capabilities against aggressive and comprehensive counter-space programs of others. Though competitors may understand our reliance on space, we will not let them use it against us, or take it away. As I will discuss later in this testimony, this budget makes important investments to do just that – sustaining and building on the major shifts DoD began funding in last year’s budget submission. With the presence of so many commercial space endeavors, we want this domain to be just like the oceans and the Internet: free and open to all.

Finally, high-end competitors have also invested in electronic warfare systems as a cost-effective way to challenge the United States and try to blunt our technological advantage. By jamming our radars, communications, and GPS, these systems would seek to disrupt the integrated capabilities that allow our forces to identify, target, reach, and destroy an enemy with precision. We cannot allow that to happen, which is why this budget deliberately invests in buying more electronic protection and resiliency for our current systems as well as developing more advanced capabilities. I will address these investments in more detail later in this testimony.

V. SEIZING OPPORTUNITIES FOR THE FUTURE

The other significant share of our budget goes toward making sure DoD will be ready for the future. Our budget’s investments and programming decisions in this area reflect my commitment to create a Defense Department that’s open to change and new ideas to ensure a better future for both DoD and the nation, and my priorities in doing so. These are best understood through the four key pillars of this commitment – namely, updating and refining warfighting strategies, operational concepts, and tactics; driving smart and essential technological innovation; building the force of the future; and reforming the DoD enterprise.

While I will describe what we’re doing in each of those areas momentarily, the dynamic strategic environment I described earlier in this testimony explains why such change is so important – not for the sake of change, but for the security of this country. We cannot let those challenges overtake us; we have to stay ahead of them and stay the best. That’s why as Secretary of Defense I’ve been pushing the Pentagon to think outside our five-sided box.

Updating and Refining Warfighting Strategies, Operational Concepts, and Tactics

Because our military has to have the agility and ability to win both the fights we’re in, the wars that could happen today, and the wars that could happen in the future, we’re always updating our plans and developing new operational approaches to account for any changes in potential adversary threats and capabilities, and to make sure that the plans apply innovation to our operational approaches – including ways to overcome emerging threats to our security, such as cyberattacks, anti-satellite weapons, and anti-access, area denial systems. We’re building in modularity that gives our chain of command’s most senior decision-makers a greater variety of choices. We’re making sure planners think about what happens if they have to execute their plan at the same time as another contingency is taking place, so they don’t fall into the trap of presuming the contingency they’re planning for would be the only thing we’d be doing in the world at that time. And we’re injecting agility and flexibility into our processes, because the world, its challenges, and our potential opponents are not monolithic, and we must be just as dynamic to stay ahead of them.

AS PREPARED – EMBARGOED UNTIL DELIVERY

As I mentioned earlier, DoD is continuing to embark on a force-wide, all-service transition from an era focused on counterinsurgency operations to an era focused on the full spectrum of military operations. While we do so for many important reasons, it's also important to note that we don't want to forget or turn our back on counterinsurgency, but rather enable most of our forces to be capable of doing a lot more than just that. A smaller segment of our force will still specialize in these skills, and DoD will retain the ability to expand our operational capacity for counterinsurgency missions should it become necessary.

The transition to full-spectrum operations is and will be coupled with demonstrations to clearly signal it and make that signal credible, which is key to conventional deterrence. The same is true for our investments in capabilities – in new technologies, new operational concepts, and also innovative ways for how we use what we already have – these must and will be demonstrated as well. This is accounted for in the budget, as are other investments we're making to recommit ourselves to deterrence across the strategic, operational, and tactical levels of conflict.

Recognizing the immense value that wargaming has historically had in strengthening our force in times of strategic, operational, and technological transition – such as during the interwar years between World War I and World War II, when air, land, and naval wargamers developed innovative approaches in areas like tank warfare and carrier aviation – this budget makes significant new investments to reinvigorate and expand wargaming efforts across the Defense Department. With a total of \$55 million in FY 2017 as part of \$526 million over the FYDP, this will allow us to try out nascent operational concepts and test new capabilities that may create operational dilemmas and impose unexpected costs on potential adversaries. The results of future wargames will be integrated into DoD's new wargaming repository, which was recently established to help our planners and leaders better understand and shape how we use wargames while also allowing us to share the insights we gain across the defense enterprise.

Driving Smart and Essential Technological Innovation

The investments this budget makes in technology and innovation, and the bridges it helps build and rebuild, are critical to staying ahead of future threats in a changing world. When I began my career, most technology of consequence originated in America, and much of that was sponsored by the government, especially DoD. Today, not only is much more technology commercial, but the competition is global, with other countries trying to catch up with the advances we've enjoyed for decades in areas like precision-guided munitions, stealth, cyber, and space. So now, as we have in the past, DoD must invest to ensure America pioneers and dominates these and other technological frontiers.

DoD is therefore pursuing new technology development along with new operational concepts, and new organizational constructs – all of which are reflected in or supported by this budget submission – to maintain our military's technological superiority and ensure we always have an operational advantage over any potential adversary. How we do this is important, because while the Cold War arms race was characterized mostly by strength, with the leader simply having more, bigger, or better weapons, this era of technological competition is uniquely characterized by an additional variable of speed, such that leading the race now depends on who can out-innovate faster than everyone else. It's no longer just a matter of what we buy; what also matters is how we buy things, how quickly we buy them, whom we buy them from, and how quickly and creatively we're able to upgrade them and repurpose them to be used in different and innovative ways to stay ahead of future threats.

AS PREPARED – EMBARGOED UNTIL DELIVERY

In particular, this means leveraging the capability of current and emerging technologies, including commercial technologies wherever appropriate. It means demonstrating and seeding investments in new capabilities and concepts to counter advanced anti-access, area-denial challenges across all domains and in every region where they persist – a particular focus of DoD's effort to develop a third offset strategy. And also, it means investing in and operationalizing our security by leveraging advances in cyber, space, electronic warfare, biotechnology, artificial intelligence, and other areas. Our technologies and capabilities must be able to operate so that no matter what any of our enemies might throw at them, they are able to defeat attempts to be hacked.

Accordingly, this budget invests a total of \$183.9 billion in FY 2017, and \$951 billion over the FYDP, to help research, develop, test, evaluate, and procure the right technology and capabilities our military will need to deter and if necessary fight and win full-spectrum conflicts in the future. For the second year in a row, the budget increases funding for our research and development accounts, which total \$71.8 billion in FY 2017. That includes \$12.5 billion specifically invested in science and technology to support groundbreaking work happening in the military services, in our dozens of DoD labs and engineering centers across the country, and in the Defense Advanced Research Projects Agency (DARPA) to develop and advance disruptive technologies and capabilities in areas like undersea systems, hypersonics, electronic warfare, big data analytics, advanced materials, energy and propulsion, robotics, autonomy, and advanced sensing and computing.

At the same time that DoD is making investments in technologies themselves, we're also investing in building and rebuilding bridges with America's vibrant, innovative technology community and forging more connections with the commercial technology base – and it's reflected in our budget. In FY 2017, this includes \$45 million for our Defense Innovation Unit-Experimental (DIUx), which we opened in Silicon Valley last August to build relationships and better tap into the region's innovation ecosystem. It also includes \$40 million for our pilot program with the independent, non-profit startup backer In-Q-Tel, leveraging its venture capital model to help find innovative solutions for some of our most challenging problems. And it includes \$137 million to support our public-private partnership-funded Manufacturing Innovation Institutes, including the one focused on flexible hybrid electronics that I announced in Silicon Valley last August. In all these areas, similar to how DoD's historic investments in things like GPS and the Internet later went on to yield great benefits for not just our security but also our society, we hope the investments we're making in some of these fields along with our partners in the technology industry will lead to incredible advances that today we can only imagine.

Importantly, technological innovation must be done in concert with operational innovation. It's not enough to have or create new technologies or weapon systems; how they are used is key. The budget reflects work DoD has been undertaking in this area through multiple lines of effort. First, there's our Long-Range Research and Development Planning Program – an effort named after the mid-1970s project that brought together a cross-section of military, academic, and private-sector experts who paved the way to a future of GPS-guided smart bombs, battle networks, and stealth – and also our Advanced Capability and Deterrence Panel. Both focus on identifying and charting longer-term, leap-ahead investments for strategies and capabilities that will give us an advantage several decades from now, and together they make up nearly 60 percent of our science and technology investments in this budget submission.

AS PREPARED – EMBARGOED UNTIL DELIVERY

Now, to focus on maintaining our near-term advantage, DoD has an office that we don't often talk about, but that I want to highlight today. It's called the Strategic Capabilities Office (SCO). I created SCO in 2012 when I was Deputy Secretary of Defense to reimagine existing DoD, intelligence community, and commercial systems by giving them new roles and game-changing capabilities to confound potential opponents. I picked a talented physicist to lead it. SCO is incredibly innovative, but also has the rare virtue of rapid development and the even rarer charter to keep current capabilities viable for as long as possible. So it's good for both troops and taxpayers alike.

SCO is focused on thinking differently, which is incredibly important to innovation when it comes to technological capabilities. Thinking differently put us in space and on the moon. It put computers in our pockets and information at our fingertips. It's how we came to have airplanes that take off from the decks of ships, nuclear submarines beneath the seas, and satellite networks that take pictures of the world and show us where we are in it. And this kind of bold, innovative thinking isn't lost to history. It's happening every day, in SCO and many other places throughout the Department of Defense.

Most people don't often hear about it because most of its work is classified; however, SCO has been a tremendously useful part of DoD. It's received large support from all the services, as well as our combatant commands, the Joint Chiefs of Staff, the intelligence community, and also Congress – with its budget growing from \$140 million in its first year, FY 2014, to reaching \$845 million for FY 2017 in this year's budget submission. To show the return we're getting on those investments, I'd like to highlight some projects SCO has been working on that we're funding in the budget.

First is a project focused on advanced navigation, where SCO is taking the same kinds of micro-cameras and sensors that are littered throughout our smartphones today, and putting them on our Small Diameter Bombs to augment their targeting capabilities. This will eventually be a modular kit that will work with many other payloads – enabling off-network targeting through commercial components that are small enough to hold in your hand.

Another SCO project uses swarming, autonomous vehicles in all sorts of ways, and in multiple domains. For the air, they've developed micro-drones that are really fast, and really resilient – they can fly through heavy winds and be kicked out the back of a fighter jet moving at Mach 0.9, like they did during an operational exercise in Alaska last year, or they can be thrown into the air by a soldier in the middle of the Iraqi desert. And for the water, they've developed self-driving boats, which can network together to do all sorts of missions, from fleet defense to close-in surveillance – including around an island, real or artificial, without putting our sailors at risk. Each one leverages the wider world of technology. For example, the micro-drones use a lot of commercial components and 3D printing. And the boats build on some of the same artificial intelligence algorithms that NASA's Jet Propulsion Laboratory wrote for the Mars lander.

SCO also has a project on gun-based missile defense, where we're taking the same hypervelocity smart projectile developed for the electromagnetic railgun, and using it for point defense by firing it with artillery we already have in our inventory – including the five-inch guns at the front of every Navy destroyer, and also the hundreds of Army Paladin self-propelled howitzers. This way, instead of spending more money on more expensive interceptors, we can turn past offense into future defense – defeating incoming missile raids at much lower cost per round, and thereby imposing higher costs on the attacker. In fact, we tested the first shots of the hypervelocity projectile out of a Paladin a little over a month ago, and we found that it also significantly increases the range.

AS PREPARED – EMBARGOED UNTIL DELIVERY

There's also a SCO project that we're calling the arsenal plane, which takes one of our oldest aircraft platforms, and turns it into a flying launch pad for all sorts of different conventional payloads. In practice, the arsenal plane will function as a very large airborne magazine, networked to fifth-generation aircraft that act as forward sensor and targeting nodes – essentially combining different systems already in our inventory to create wholly new capabilities.

The last SCO project I want to highlight is how we're creating a brand new capability with the SM-6 missile, an interceptor that's designed to launch from our Navy's surface ships and be highly maneuverable and aerodynamic to stop incoming ballistic and cruise missiles in the atmosphere. It's one of our most modern and capable munitions – and thanks to work done by SCO, we've been able to modify the SM-6 so that in addition to missile defense, it can also target enemy ships at sea. This new anti-ship mode makes the SM-6 doubly useful, taking the defensive speed and maneuverability already sitting in our Aegis destroyers' launch cells and leveraging it for offensive surface warfare lethality. That makes it a potent new capability for our fleet, and also a good deal for the taxpayer by using the same thing twice. We already know this works; it was fully tested this past January to great success. And, as I will address later in this testimony, this new operational concept is strongly reflected in our 2017 budget.

Those are just a few projects that SCO has worked on so far – and they're working on a lot more, including some surprising ones.

Now, with all of that in mind – from why we need to invest in technological innovation, to how we're doing it – let me address the specific investments this budget makes in technologies and capabilities to deter, and if necessary fight and win, a full-spectrum conventional war against even the most high-end of adversaries. In concert, they will help maintain our military's edge both under and on the sea, on land, in the air, in space, in cyber and electronic warfare, and in the modernization and maintenance of our nuclear enterprise.

Maritime Investments

In the maritime domain, the budget refocuses our Navy on building lethality for high-end conflicts while continuing to grow the battle fleet to meet, but not exceed, the department's warfighting posture requirement of 308 ships. Our investments reflect an emphasis on payloads over platforms, on the ability to strike from sanctuary quickly so that no target is out of reach, and on closing capability shortfalls that have developed over the last several years.

First, the budget maximizes our undersea advantage – leveraging and growing our lead in an area where the U.S. military should be doing more, not less, going forward. It provides funding for important payloads and munitions, including \$170.8 million in FY 2017 and \$1.5 billion over the FYDP for an improved heavyweight torpedo as well as research and development for an advanced lightweight torpedo to stay ahead of existing and emerging undersea challenges. It includes \$5.2 billion in FY 2017 and \$29.4 billion over the FYDP to buy nine Virginia-class attack submarines over the next five years; four of those submarines – up from three in last year's budget – will be equipped with the versatile Virginia Payload Module that can more than triple each submarine's strike capacity from 12 Tomahawk land attack missiles to 40. The budget also invests \$500 million in FY 2017, and \$3.4 billion over the FYDP, to upgrade 49 of our submarines' combat systems and enhance underwater acoustics on nine of our existing Virginia-class submarines. It increases funding for unmanned undersea vehicles (UUVs) by over \$100 million in FY 2017, part of a total \$173 million in FY 2017 and \$1.2 billion over the FYDP that invests in, among other areas, rapid prototyping of UUVs in

AS PREPARED – EMBARGOED UNTIL DELIVERY

multiple sizes and diverse payloads – which is important, since UUVs can operate in shallow waters where manned submarines cannot. And it includes \$2.2 billion in FY 2017 and \$6.4 billion over the FYDP to continue procuring the advanced P-8A Poseidon maritime patrol and surveillance aircraft. Together, all these investments – totaling \$8.2 billion in FY 2017, and \$41.9 billion over the next five years – will ensure we continue to have the most lethal undersea and anti-submarine force in the world.

Second, the budget makes significant investments to bolster the lethality of our surface fleet forces, so they can deter and if necessary prevail in a full-spectrum conflict against even the most advanced adversaries. It invests \$597 million in FY 2017, and \$2.9 billion over the FYDP, to maximize production of the SM-6 missile, one of our most modern and capable munitions, procuring 125 in FY 2017 and 625 over the next five years – and this investment is doubly important given the SM-6's new anti-ship capability. It also invests in developing and acquiring several other key munitions and payloads – including \$1 billion in FY 2017, and \$5.8 billion over the FYDP, for all variants of the SM-3 high-altitude ballistic missile interceptor; \$340 million in FY 2017, and \$925 million over the FYDP, for the Long-Range Anti-Ship Missile; \$221 million in FY 2017, and \$1.4 billion over the FYDP, for the Advanced Anti-Radiation Guided Missile, including its extended range version; and \$435 million in FY 2017, as part of \$2.1 billion over the FYDP, for the most advanced variant of the Tactical Tomahawk land-attack missile, which once upgraded can also be used for maritime strike.

Third, the budget reflects decisions we've made to ensure that we look at our overall warfighting posture, rather than only the presence that contributes to it, in determining whether our maritime forces can deter and if necessary fight and win a full-spectrum conflict. Having grown the size and the capability of our surface and subsurface fleet over the last seven years, this budget will continue to do both. It will ensure we meet the department's 308-ship posture requirement – indeed, growing the battle fleet to 308 ships by the end of the FYDP – and it will make our naval forces as a whole more capable, more survivable, and more lethal than they would have been otherwise.

The budget invests \$3.4 billion in FY 2017 and \$18.3 billion over the FYDP to continue to buy two DDG-51 Arleigh Burke-class guided missile destroyers each year over the next five years – a total of 10 over the FYDP – as well as \$400 million in FY 2017 and \$2.8 billion over the FYDP for modernizing our destroyers, 12 of which will also receive upgrades to their combat systems. It continues to support 11 carrier strike groups, investing \$2.7 billion in FY 2017 and \$13.5 billion over the FYDP for new construction of Ford-class carriers, as well as \$2 billion in FY 2017 and \$8.9 billion over the FYDP for midlife reactor refueling and overhauls on our current carrier fleet. And, as I will discuss in the reform section of this testimony, it supports modernizing our guided missile cruisers – providing them with more capability and a longer lifespan while freeing up significant funds that can be put toward a variety of uses.

I'd like to now address the Littoral Combat Ship (LCS), where we made an important tradeoff so we could put more money in submarines, Navy fighter jets, and many other critical areas. As such, the budget takes a new approach to the LCS and its associated frigate – buying a total of 40, not the 52 or more that were planned starting back in 2002. Let me explain why. First, to be clear, we're investing in LCS and frigates because we need the capability they provide, and for missions like minesweeping and anti-submarine warfare, they're expected to be very capable. But now, in 2016, we have to further balance our shipbuilding investments among guided missile destroyers and Virginia-class attack submarines. We face competitors who are challenging us on the open ocean with new submarines, ships, aircraft, and missiles – advanced

AS PREPARED – EMBARGOED UNTIL DELIVERY

capabilities we haven't had to contend with in a long time, meaning that we must now invest more in higher-end capabilities across our own fleet. The department's warfighting analysis called for 40 small surface combatants, so that's how many we're buying. Over the next 10 years, this will let us invest almost \$8 billion more into highly lethal ships and capabilities – all the while increasing both the number of ships and the capability of our battle fleet. While this will somewhat reduce the number of LCS available for presence operations, that need will be met by higher-end ships, and it will ensure that the warfighting forces in our submarine, surface, and aviation fleets have the necessary capabilities to defeat even our most advanced potential adversaries. Under this rebalanced plan, we will still achieve our 308-ship goal within the next five years, and we will be better positioned as a force to effectively deter, and if necessary defeat, even the most advanced potential adversaries.

Land Investments

To ensure our ground forces have the capabilities to counter emerging threats and the demonstrated ability to deter and if necessary fight and win a full-spectrum conflict, the budget will help provide our Army, Marine Corps, and special operations forces with greater lethality in several forms. This includes a next-generation shoulder-launched weapon, a life extension program as well as a replacement for the Army Tactical Missile System (ATACMS) that can be used for improved counter-battery and long-range strike, and increased firepower for Stryker armored fighting vehicles. Together these investments comprise \$780 million in FY 2017 and \$3.6 billion over the FYDP.

Additionally, the budget invests \$735 million in FY 2017, and \$6.8 billion over the FYDP, in the Joint Light Tactical Vehicle intended to replace the military's Humvees – procuring more than 2,000 vehicles in FY 2017, and a total of more than 17,700 vehicles over the next five years. It also invests \$159 million in FY 2017, and \$1.7 billion over the FYDP, in the Amphibious Combat Vehicle, which will replace the Marine Corps' aging Amphibious Assault Vehicle – helping procure over 200 vehicles over the next five years. And, as I discuss later in the reform section of this testimony, it supports the Army's ongoing Aviation Restructure Initiative – investing \$1.1 billion for 52 AH-64 Apache attack helicopters in FY 2017, and \$5.7 billion for 275 Apaches over the FYDP, as well as \$1 billion for 36 UH-60 Black Hawk utility helicopters in FY 2017, and \$5.6 billion for 268 Black Hawks over the FYDP.

The budget also invests \$9.1 billion for missile defense in FY 2017, and \$47.1 billion over the FYDP. This reflects important decisions we've made to strengthen and improve our missile defense capabilities – particularly to counter the anti-access, area-denial challenge of increasingly precise and increasingly long-range ballistic and cruise missiles being fielded by several nations in multiple regions of the world. Instead of spending more money on a smaller number of more traditional and expensive interceptors, we're funding a wide range of defensive capabilities that can defeat incoming missile raids at much lower cost per round, and thereby impose higher costs on the attacker. The budget invests in improvements that complicate enemy targeting, harden our bases, and leverage gun-based point defense capabilities – from upgrading the Land-Based Phalanx Weapons System, to developing hypervelocity smart projectiles that as I mentioned earlier can be fired not only from the five-inch guns at the front of every Navy destroyer, but also the hundreds of Army M109 Paladin self-propelled howitzers. Additionally, the budget's missile defense investments maintain DoD's commitment to improving our homeland and theater defense systems – as we're increasing the number of deployed Ground-Based Interceptors (GBIs) from 30 to 44, redesigning the exo-atmospheric kill vehicle to

AS PREPARED – EMBARGOED UNTIL DELIVERY

improve the reliability of the Ground-Based Midcourse Defense system, and funding improvements and follow-on concept development for the Terminal High-Altitude Area Defense (THAAD) system. Specifically, we're investing \$1.2 billion in FY 2017 and \$5.8 billion over the FYDP for the Ground-based Midcourse Defense program; for THAAD, we're spending \$640 million in FY 2017 and \$3.6 billion over the FYDP, which includes procuring 24 interceptors in FY 2017 and 149 over the FYDP; and, to research, develop, and deploy a new Long-Range Discrimination Radar, we're investing \$317 million in FY 2017 and \$1 billion over the FYDP.

Air Investments

To ensure the U.S. military's continued air superiority and global reach, the budget makes important investments in several areas – and not just platforms, but also payloads. For example, it invests \$2.4 billion in FY 2017 and \$8 billion over the FYDP in a wide range of versatile munitions – including buying more Small Diameter Bombs, JDAMs, Hellfires, and AIM-120D air-to-air missiles. We are also developing hypersonics that can fly over five times the speed of sound.

The budget continues to buy the stealthy, fifth-generation F-35 Lightning II Joint Strike Fighter. It includes \$10.1 billion in FY 2017 and \$56.3 billion over the FYDP to procure a total of 404 F-35s across the force through 2021 – 43 F-35As for the Air Force in FY 2017 as part of 243 to be purchased over the FYDP, 16 F-35Bs for the Marine Corps in FY 2017 as part of 97 to be purchased over the FYDP, and 4 F-35Cs for the Navy and Marine Corps in FY 2017 as part of 64 to be purchased over the FYDP. This represents a slight deferral in Air Force F-35 procurement, which we're doing in order to free up funds to maintain a larger-size Air Force of 55 tactical fighter squadrons, and to improve avionics, radar, and electronic warfare systems in legacy bomber and fighter aircraft like the F-15, F-16, B-1, B-2, and B-52 fleets – increasing their lethality, survivability, and therefore usefulness in a full-spectrum conflict. At the same time, it also represents an increase in the Navy and Marine Corps' F-35 procurement, which is important to ensure sufficient high-end capability and numbers in our aircraft carriers' tactical fighter fleet.

Additionally, the budget invests \$1.4 billion in FY 2017 and \$12.1 billion over the FYDP for continued development of the Long-Range Strike Bomber, as well as \$3.1 billion in FY 2017 and \$15.7 billion over the FYDP to continue upgrading our aerial tanker fleet – buying 15 KC-46A Pegasus refueling tankers in FY 2017 as part of 75 aircraft to be purchased over the FYDP.

The budget also reflects important decisions regarding future unmanned aerial systems, such as the Navy's Carrier-Based Aerial Refueling System (CBARS), formerly known as the Unmanned Carrier-Launched Air Surveillance and Strike (UCLASS) program – by focusing in the near-term on providing carrier-based aerial refueling, we're setting the stage for a future unmanned carrier air wing. With this approach, the Navy will be able to quickly and affordably field the kinds of unmanned systems that its carrier air wings need today, while laying an important foundation for future, more capable unmanned carrier-based platforms. We know we need to ensure aircraft can operate off the carrier in high-threat environments, and we're working hard to make them unmanned – it's just that the UCLASS program as previously structured was not the fastest path to get us there. This approach will allow us to get started integrating unmanned aircraft onto our aircraft carriers affordably and as soon as possible.

Furthermore, to maximize the capabilities and extend the reach of all our airborne systems, the budget reflects how we're expanding manned-unmanned teaming – from buying Navy MQ-4C Triton unmanned maritime surveillance and patrol aircraft, which can be paired

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with our P-8A Poseidon aircraft for a variety of missions; to buying Army AH-64 Apache attack helicopters that can pair with MQ-1C Gray Eagle scouts; to buying Air Force F-35s that can network with both payloads and platforms.

Cyber and Electronic Warfare Investments

This budget significantly increases our cyber capabilities, with new investments totaling over \$900 million in FY 2017 compared to last year's budget.

Because defending our networks is and must be DoD's number-one mission in cyberspace, the budget makes significant investments to improve our defensive capabilities to deny a potential attack from succeeding. These include \$336 million over the FYDP to support more capable network perimeter defenses, as well as \$378 million over the FYDP to train and strengthen DoD's Cyber Protection Teams to respond to security breaches, grow our cyber training and testing ranges, and support tool development that will let our Cyber Mission Force quickly respond to cyberattacks against our networks regardless of where they are stationed around the world.

Reflecting our renewed commitment to deterring even the most advanced adversaries, the budget also invests in cyber deterrence capabilities, including building potential military response options. This effort is focused on our most active cyber aggressors, and is based around core principles of resiliency, denial, and response.

As part of DoD's second cyber mission – defending the nation – the budget invests in an advanced capability to disrupt cyberattacks of significant consequences. And to support DoD's third cyber mission – providing offensive cyber options that if directed can augment our other military systems – the budget invests \$347 million over the FYDP to help provide cyber tools and support infrastructure for the Cyber Mission Force and U.S. Cyber Command.

DoD has a unique level of resources and cyber expertise compared to the rest of the federal government, and following the recent data breaches of the Office of Personnel Management's information technology systems, DoD has undertaken responsibility for the development, maintenance, and cybersecurity of the replacement background investigation systems and their data infrastructure. To provide proper support and a dedicated funding stream for this effort, the President's budget includes \$95 million for DoD in FY 2017. Also, on a separate but related note, the budget invests \$454 million over the FYDP to ensure DoD will continue to have access to the trusted microelectronic components needed in our weapon systems. By developing alternative sources for advanced microchips and trusted designs, this funding will help ensure the long-term security of our systems and capabilities.

Meanwhile, to protect our platforms and ensure U.S. freedom of maneuver in contested environments, the budget also continues to support research, development, testing, evaluation, and procurement of advanced electronic warfare capabilities – totaling \$3.7 billion in FY 2017 and \$20.5 billion over the FYDP. To enhance the electronic survivability and lethality of fighter and bomber aircraft like the F/A-18, F-15, and B-2, we're investing in both offensive and defensive airborne capabilities, including the Air Force's Defensive Management System modernization and Eagle Passive Active Warning Survivability System, and also the Navy's Integrated Defensive Electronic Countermeasures and Next Generation Jammer. We're upgrading the radar on our E-3 Sentry AWACS with enhanced electronic protection to make adversary jammers less effective. Investments in the Navy's Surface Electronic Warfare Improvement Program will help our ships protect themselves better. And to help protect our ground forces, the budget invests in the Army's Common Infrared Countermeasures and

AS PREPARED – EMBARGOED UNTIL DELIVERY

Electronic Warfare Planning and Management Tool, as well as the Marine Corps' Intrepid Tiger pod.

While cyber and electronic warfare capabilities provide, for the most part, different techniques to achieve similar mission objectives, an integrated approach can yield additional benefits. This is reflected in our budget, including investments intended to ensure we can hold even the most challenging targets at risk.

Space Investments

As I mentioned earlier, this budget continues and builds upon important investments in last year's budget to help secure U.S. access to space and address space as an operational domain.

After adding over \$5 billion in new investments in DoD's 2016 budget submission to make us better postured for contested military operations in space – including over \$2 billion in space control efforts to address potential threats to U.S. space systems – this budget largely sustains those investments over the FYDP. While there is much more work ahead, we are on a good path in our efforts to complicate an adversary's ability to defeat our systems while also enhancing our ability to identify, attribute, and negate all threatening actions in space.

Meanwhile, the budget also supports strengthening our current space-based capabilities, and maturing our space command and control. It invests in more satellites for our Space-Based Infrared System to maintain the robust strategic missile warning capability we have today. And it allocates \$108 million over the FYDP to implement the Joint Interagency Combined Space Operations Center (JICSpOC), which will better align joint operations in space across the U.S. government.

DoD must have assured access to space through multiple reliable sources that can launch our critical national security satellites, which is why the budget invests \$1.8 billion for space launch in FY 2017 and \$9.4 billion over the FYDP. Because we want to end the use of the foreign RD-180 engine as soon as possible, and because we have a strong desire to preserve competition for space launch in order to ensure multiple launch service providers can sustain uninterrupted access to space, and to control costs, the budget includes funds for competitive public-private partnerships to help develop new launch services, which we believe is the most responsible way forward. Merely developing a new engine would not give us the assured access to space that we require. We plan to take advantage of the emerging commercial space launch marketplace using an innovative, more commercial approach – investing through competition in new launch services in return for priced options for future launches.

Nuclear Enterprise Investments

The budget also makes reforms and investments needed to continue providing a safe, secure, and effective nuclear deterrent. Compared to last year's budget submission, it adds \$10 billion over the next five years, for a total of \$19 billion in FY 2017 and \$108 billion over the FYDP for maintaining, and modernizing the nuclear force and associated strategic command, control, and communications systems. This reflects DoD's continuing commitment to the nuclear triad and its critical mission.

In addition to making an array of investments across the nuclear enterprise – from increased funding for manpower, equipment, vehicles, and maintenance, to technological efforts that improve the sustainability of our bomber fleet – the budget also fully funds the first stages of our key nuclear modernization effort, in particular the replacement of our Ohio-class ballistic

AS PREPARED – EMBARGOED UNTIL DELIVERY

missile submarines. The Ohio Replacement Program is allocated \$1.9 billion in FY 2017 and \$13.2 billion over the FYDP, which in addition to research and development will allow the first year of construction on an incrementally-funded first ship to begin in FY 2021.

We expect the total cost of nuclear modernization to be in the range of \$350-\$450 billion. Although this still presents an enormous affordability challenge for DoD, we believe it must be funded. Previous modernizations of America's strategic deterrent and nuclear security enterprise were accomplished by topline increases to avoid having to make drastic reductions to conventional forces, and it would be prudent to do so again. I hope DoD can work with Congress to minimize the risk to our national defense.

Building the Force of the Future

While we have the finest fighting force in the world today, that excellence is not a birthright, and we can't take it for granted in the 21st century. We have to earn it again and again, starting with our most enduring advantage – our people.

That's what building the force of the future is all about: making sure that long into the future, my successors will be able to count on the same excellence in people that I do today. And we have several overarching priorities to help us do that, like attracting a new generation of talented Americans, promoting diversity, and rewarding merit; carving tunnels through the walls between DoD, the private sector, our reserve force, and other agencies across the government; and updating and modernizing our personnel management systems with technology and data analysis to help improve the choices and decisions we make related to our people.

I made this commitment to President Obama when he asked me to serve as Secretary of Defense, and so shortly after I was sworn in, I visited my old high school in Abington, Pennsylvania to outline my vision for the force of the future. I talked about how, in the face of generational, technological, and labor market changes, we in the Pentagon must try to make ourselves even better at attracting talent from new generations of Americans. In the months that followed, I went to places like Silicon Valley and St. Louis, and heard from companies like Facebook, and Boeing, and LinkedIn about what they're doing to compete for talent in the 21st century. And this past December, I announced that we're opening all combat positions to women, to expand our access to 100 percent of America's population for our all-volunteer force.

Throughout this process, we've always been mindful that the military is a profession of arms. It's not a business. We're responsible for defending this country – for providing the security that allows our friends and family members and fellow citizens to go to school, go to work, to live their lives, to dream their dreams, and to give the next generation a better future.

The key to doing this successfully is leveraging both tradition and change. While the military cannot and should not replicate all aspects of the private sector, we can and should borrow best practices, technologies, and personnel management techniques in commonsense ways that work for us, so that in future generations, we'll keep attracting people of the same high caliber we have today – people who will meet the same high standards of performance, leadership, ethics, honor, and trust we hold our force to today.

Last spring I asked DoD's Personnel and Readiness chief, Brad Carson, to lead a team in developing a package of bold proposals, which they did – building on the great work the military services were already doing, and also coming up with some new ideas. Subsequently, a senior leadership team led by Deputy Secretary of Defense Bob Work and Vice Chairman of the Joint Chiefs of Staff General Paul Selva has been working with the service vice chiefs to closely analyze each proposal and make recommendations before I decide. While this process is still

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ongoing for some proposals, I've decided to announce my decisions on other proposals as I've made them, which I will now detail.

The First Link to the Force of the Future

I outlined the first link we're building to the force of the future at George Washington University last November, announcing over a dozen new initiatives in several categories that are intended to make our future Defense Department better connected to 21st century talent.

First, we're creating what we call 'on-ramps' for people who aren't involved with DoD but want to try contributing to our mission. One way we're doing this is by having better managed internship programs that more effectively transition promising interns into employees. Another is our new Defense Digital Service, which brings in talent from America's vibrant, innovative technology community for a time to help solve some of our most complex problems. We're also going to bring in resident entrepreneurs, who will work with senior leaders on challenging projects for a year or two. And we're going to hire a chief recruiting officer to bring in top executives for stints in civilian leadership roles, as we had in the past with people like Dave Packard, co-founder of HP, who also served as Deputy Secretary of Defense.

Second, we're creating short-term 'off-ramps' for those currently in DoD, so they can gain new skills, experiences, and perspectives from outside and then bring them back in to help keep us strong, creative, and forward-thinking. One way we're doing this is by expanding and broadening the Secretary of Defense Corporate Fellowship program, including by opening it up to qualified enlisted personnel. Another example is the Career Intermission Pilot Program, which lets people take a sabbatical from their military service for a few years while they're getting a degree, or learning a new skill, or starting a family. DoD plans to seek authorities to make this program permanent, and looks forward to working with Congress to do so – similar to how we were able to partner last year to update and modernize retirement benefits and ensure that the 80 percent of our force that doesn't serve 20 years will get the benefits they earned whenever they move on to whatever's next in life.

And third, we're going to use 21st century data and technology to improve and modernize our talent management systems. We're launching LinkedIn-style pilot programs to help give servicemembers and units more choice in matching up for future assignments. We're creating an Office of People Analytics to leverage big data to inform our personnel policies. We're finally implementing exit surveys, so we can have quantitative data on why people decide to leave. And to help us keep bringing in the best people, we're looking at ways to evaluate recruit performance, improve outcomes, and better analyze trends that if left unchecked could indicate or lead to our military's insularity from the rest of society.

The Second Link to the Force of the Future

Last month, I announced our so-called second link to the force of the future, a set of several initiatives with a singular focus: strengthening the support we provide our military families to improve their quality of life. They were developed keeping in mind DoD's recruiting, retention, and career and talent management needs, as well as our closely-linked readiness and warfighting demands, which must always guide us.

We know that our all-volunteer force is predominantly a married force – 52 percent of our enlisted force is married, and 70 percent of our officer force is married. We also have another 84,000 military-to-military marriages, with 80 percent of them stationed within 100 miles of each other. So while we recruit a servicemember, we retain a family. This means that

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what we do to strengthen quality of life for military families today, and what we do to demonstrate that we're a family-friendly force to those we want to recruit, is absolutely essential to our future strength. While we often speak of commitments to family and country in the same breath, the stresses of military service on our families are heavy and well known; among the stresses military families face, having and raising children is near the top. We also know that at 10 years of service, when women are at their peak years for starting a family, women are retained at a rate 30 percent lower than men across the services. And we know that a high level of work and family conflict is one of the primary reasons they report leaving service.

To build the force of the future, tackling these problems is imperative, especially when the generation coming of age today places a higher priority on work-life balance. These Americans will make up 75 percent of the American workforce by 2025. Nearly four-in-five of them will have a spouse or a partner also in the workforce – twice the rate of baby boomers. These Americans wait longer to have children, and when they do have children, they want to protect the dual earning power of their families to provide for their children accordingly.

That's why, for starters, we're providing a more competitive standard for maternity and paternity leave across our joint force – setting 12 weeks of fully paid maternity leave as the standard across the joint force, and working with Congress to seek authorities to increase paid paternity leave for new fathers from 10 to 14 days, which they can use in addition to annual leave. These changes put DoD in the top tier of institutions nationwide, and will have significant influence on decision making for our military family members. For both mothers and fathers alike, this establishes the right balance between offering a highly competitive leave policy while also maintaining the readiness of our total force. While I don't take lightly that 12 weeks of maternity leave represents a downshift from what the Navy pursued last summer, we will be at the forefront in terms of competition, especially as part of the comprehensive basket of family benefits we're providing across the joint force. This will be an increasingly important factor as current and future generations of parents have different views and expectations in parenting, and we must continue to be able to attract and retain the best talent among them.

Additionally, we're expanding the child care we provide on our bases, because whether for single parents, for families where both parents work outside the home, or for every mother or father in our military, child care hours should be as responsive as possible to work demands. So based on feedback from pilot programs, and in the interest of responding to typical work hours at our installations, we will increase child care access to 14 hours a day across the force. By providing our troops with child care they can rely on –from before reveille to after taps – we provide one more reason for them to stay on board. And we show them that supporting a family and serving our country are by no means incompatible goals.

We're also making relatively inexpensive improvements so that our workplaces are more accommodating to women when they return from maternity leave, with a focus on making it easier for them to continue breastfeeding if they choose. To make the transition between maternity leave and returning to work for military mothers smoother, to enhance our mission effectiveness, and to comply with standards that apply to nearly every organization outside the military, we're requiring the installation or modification of mothers' rooms throughout all facilities when there are more than 50 women regularly assigned.

Furthermore, we can also be more creative about making reasonable accommodations for members of our force who face difficult family geographic situations while at the same time, as is here as elsewhere, preserving our force's effectiveness. Data indicates that allowing family members to trade the ability to remain at a station of choice in exchange for an additional active

AS PREPARED – EMBARGOED UNTIL DELIVERY

duty service obligation is one approach that could increase retention, while preserving readiness. DoD will be seeking legislative authority to this effect – when the needs of the force permit a service member to stay at their current location, we will seek to empower commanders to make reasonable accommodations, in exchange for an additional service obligation.

Finally, as a profession of arms, we ask our men and women to make incomparable sacrifices. We ask them, potentially, to place themselves at risk of sacrificing their ability to have children when they return home. To better account for this in the benefits we provide our troops, DoD will cover the cost of freezing sperm or eggs through a pilot program for active duty service members – a benefit that will help provide men and women, especially those deployed in combat, with greater peace of mind. This investment will also provide greater flexibility for our troops who want to start a family, but find it difficult because of where they find themselves in their careers.

Each of these initiatives is significant in its own right. Taken together, they will strengthen our competitive position in the battle for top talent, in turn guaranteeing our competitive position against potential adversaries. The initiatives approved to date total \$867 million across the FYDP; we've included this in our budget because it's a worthy investment that will yield great returns.

More Still to Come

While these first two links are important, we will have more to announce on the force of the future in the coming months. For example, we're taking a serious look at some commonsense reforms in our officer promotion system, and I greatly appreciate Congressional leaders from both parties who have indicated their support for such reforms in principle. We're also looking at ways to improve how we manage our civilian personnel, working with the government-wide Office of Personnel Management as well as federal employee unions. In both of these efforts, working with Congress will be essential to ensure that our force of the future is as strong as the force of today.

Reforming the DoD Enterprise

As I've said consistently from the moment I became Secretary of Defense, I cannot ask for more taxpayer dollars for defense without being candid about the fact that not every defense dollar is spent as wisely or responsibly as it could be, and also being determined to change that and make our department more accountable. That's why reforming the DoD enterprise is so important – from improving how we're organized so we can best respond to the challenges and opportunities of the future security environment, to continuing to improve our acquisition and enterprise-wide business and audit practices, to reducing excess infrastructure and overhead, to modernizing the military healthcare system.

Before I address the reforms in this budget submission, it's important to consider the recent history of defense reform – how DoD has been embarked on a reform path for much of the last seven years, and how we appreciate Congress's work with us over the last year on acquisition and modernized retirement reforms.

Despite what some may think, this administration hasn't been dragging its feet when it comes to defense reform – the reality has been quite the opposite. Beginning in 2009, we reduced the number of senior executives and general and flag officers, while working with Congress to trim management headquarters staffs by 20 percent, and move DoD toward auditability. We've done three iterations of the Better Buying Power initiative I established to

AS PREPARED – EMBARGOED UNTIL DELIVERY

continuously improve our acquisitions, with Better Buying Power 3.0 incorporated into this budget, and we're seeing compelling indications of positive improvements, including in areas like reduced cost growth and reduced cycle time. And we've continually submitted much-needed reforms to strengthen the efficiency and capability of our force – many of which have been continually denied, either in whole or in part, at a cost for both taxpayers and our troops. This last part poses a real problem, because every dollar Congress denies us in reform is a dollar we can't invest in security we need to deter and defend against today's and tomorrow's threats.

Now is the time for action. DoD will work closely with Congress on any anticipated reform legislation, and we welcome an open and collaborative process. In the past, legislative reform has proven to be a double-edged sword – sometimes it leads to constructive change, which is good, but other times it just adds to bureaucracy and overhead, even if that was never the intent. I hope that with the focus on reform we've recently been seeing in this and the other defense committees in Congress, we can work together to do reform right. And we should, because there's a lot that needs to be accomplished in many areas.

Continuously Improving Acquisition

DoD has been, and still is, absolutely committed to improving acquisition outcomes. After five years of implementing our Better Buying Power (BBP) initiatives for continuous process improvements in the defense acquisition system, we're seeing compelling indications of significant improvement in acquisition outcomes – for example, annual growth metrics for contracted costs on our major programs have dropped dramatically from a peak of 9.1 percent in 2011 to a 30-year low of 3.5 percent in 2015, and a much higher percentage of major programs are projecting cost reductions relative to initial baselines than in the past. While these developments are positive signs, we can and must do more to sustain and where possible accelerate our momentum to keep improving and deliver better military capability while protecting American taxpayers.

We need to continue reducing overhead and bureaucracy associated with the acquisition system, making it more agile and having a faster flow of commercial technology into our weapon systems. DoD is comfortable with the reforms in the FY 2016 National Defense Authorization Act – which included several legislative reforms that DoD proposed last year – and we strongly support the increased role of the service chiefs in acquisition programs, particularly on cost and requirements trade-offs. Going forward, it's important that we take the responsible approach to absorb these reforms and see their effects before making additional major changes.

DoD also appreciates Congress's interest in flexibility and agility, because the pace of threat changes and technology development are not compatible with our long cycles of budget submission, authorization, and appropriations. And DoD will be looking for opportunities to work with Congress to improve the efficiency and effectiveness of our acquisition process. In particular, we would welcome greater flexibility in appropriations or reprogramming to initiate development of urgently needed capabilities. The flexibility to start a program as soon as a threat is identified would save critical time – as much as two years under current practices – and position both DoD and industry to more quickly initiate development, without a long-term commitment, outside the traditional budget cycle. This step would represent a 'free' two years of lead time to acquiring a new capability.

AS PREPARED – EMBARGOED UNTIL DELIVERY

Spending Taxpayer Dollars More Efficiently

The budget submission reflects several important efforts to spend taxpayer dollars more efficiently, generating savings that would be much better invested in other areas like the fight against ISIL or deterring Russian aggression.

Part of this means making more reductions to overhead, and also adopting some commonsense business practices that are long overdue – which in total we expect to help save nearly \$8 billion over the next five years. By better managing the 20 percent management headquarters reductions I mentioned earlier, including delayering and flattening management organizational structures, and also by increasing the reduction to 25 percent, we expect to save close to \$5.9 billion over the FYDP. And we're modernizing how we manage our commissaries and military exchanges, to optimize their business practices and respond to the changing needs of their customers. Unlike commissary and military exchange reforms proposed in previous budgets, this new approach protects the benefits they provide our people while still generating expected savings of nearly \$2 billion over the FYDP.

We're also making real progress on reforming DoD's myriad systems and business processes to meet our commitment to be audit ready by the beginning of FY 2018. The three military departments began audits of their budgets for the first time last year, and DoD financial audits currently cover over 75 percent of our total General Fund budgetary resources and just over 90 percent of the current year dollars.

In addition, we need to stop spending so much money to hold onto bases we don't need, and implement a domestic round of Base Realignment and Closure (BRAC) in 2019 as we're requesting. While it's helpful that the FY 2016 National Defense Authorization Act allowed a study of DoD's excess infrastructure, the bottom line is that we have more bases in more places than we need, with preliminary analysis indicating that we have over 20 percent excess infrastructure. To ignore this fact while criticizing DoD for wasteful spending is not only a sin of omission, but a disservice to America's taxpayers. Last year's Congressional denial forced the BRAC round to slip from 2017 to 2019, further prolonging our ability to harvest savings we greatly need. By then it will have been 14 years since DoD was allowed to right-size its domestic infrastructure, which any business leader or citizen would think is ridiculous – and they'd be right. Now is the time to fix it.

Reexamining Goldwater-Nichols and Defense Institutional Reform

I appreciate that Congress shares my desire to make institutional reform a priority. To help formulate DoD's recommendations to Congress on reviewing Goldwater-Nichols reforms, I asked our Deputy Chief Management Officer last fall to lead a comprehensive review of organizational issues in DoD – spanning the Office of the Secretary of Defense (OSD), the Joint Staff, the combatant commands, and the military departments – and search for potential redundancies, inefficiencies, or other areas of improvement.

This review is currently ongoing, and preliminary internal findings are expected in March to help shape our forthcoming recommendations to Congress. Without prejudging any outcomes, I can say our review is looking at things like increasing coordination and eliminating unnecessary overlap between OSD and the Joint Staff, and between the service secretariats and staffs; better aligning combatant command staffs to their mission; streamlining acquisition requirements and decision-making processes; having more flexibility in the laws and policies that govern joint duty qualifications; and better aligning the Joint Staff and the combatant commands to produce operational advice and respond to transregional threats.

AS PREPARED – EMBARGOED UNTIL DELIVERY

That said, there are some early results I can preview already – for example, we will likely not recommend going so far as to create a General Staff or include the Chairman of the Joint Chiefs of Staff in the chain of command. But we will likely develop an improved capability for the Joint Staff in strategy development, including reviewing operational plans and identifying military alternatives to address contingencies, subject to political guidance from civilian leadership. And, using my authority as Secretary of Defense, we will likely provide the Chairman greater responsibility for global integration, including increased authority to synchronize, organize, and prioritize military activities and resources across combatant command boundaries.

I look forward to the full results of our review, and I hope you will too. While DoD's current organization produces sound military advice and operational decisions, it often does so in a needlessly costly and time-consuming manner – leaving plenty of room for organizational improvements that can make us more agile and efficient. While much is within our authority to do, we look forward to working with Congressional committees to implement it.

Modernizing and Simplifying the Military Healthcare System

DoD greatly appreciates that Congressional leaders have said 2016 will be the year to reform our military healthcare system, TRICARE, after having passed retirement modernization reform in 2015. As you know, DoD has proposed various ways to reform TRICARE for several years, so we look forward to working very closely with Congress in the year ahead. The reforms reflected in the budget give beneficiaries more simplicity and choice in how they manage their healthcare, while also incentivizing the much more affordable use of military treatment facilities. This will not only save money, but also maximize the workload and readiness of our military's medical force, giving our doctors, nurses, medics, and corpsmen the experience they need to be effective at their mission. Together this should generate about \$548 million in FY 2017 and almost \$7 billion over the FYDP that can be better spent in other ways without sacrificing the care of our people. It's time to get this done.

Making Sure Retirement Reform Works

DoD greatly appreciates being able to work closely with Congress last year in reforming the military's retirement system. In this year's budget submission, we are including a few modifications to military retirement reform to help make sure those reforms work in the best possible way for the future strength and success of our military.

First, continuation pay should not be an entitlement at 12 years of service, but rather a vitally important force shaping tool. DoD should have the flexibility to determine if and when to offer this benefit so we can better retain the talent we need the most at any given time.

Second, the blended retirement plan that Congress passed last year needs some modifications to avoid having adverse effects on retention – in particular, slightly raising the maximum matching contribution from 4 percent to 5 percent. To improve retention, we also propose increasing the number of years a servicemember has to serve before matching contributions begin – so instead of beginning them at the start of their third year of service, it would be at the start of their fifth year of service, after their first reenlistment. DoD looks forward to working with Congress to make these proposals a reality.

AS PREPARED – EMBARGOED UNTIL DELIVERY

The Right Force Structure for Current and Future Operations

The budget also reflects critical decisions on force structure reforms, all of which are vital to making sure our troops have the capabilities they need for both present and future missions. While Congress has too often rejected such reforms out of hand, our decisions this year show that when world events and operational demands require the Defense Department to change its plans, it does so. In turn, Congress must do the same, and recognize that with a set budget and the need to invest in advanced capabilities to strengthen high-end deterrence, it's time to seriously consider these reforms and stop tying our hands from implementing them.

I mentioned earlier that we're pushing off the A-10's final retirement until 2022 so we can keep more aircraft that can drop smart bombs on ISIL; in addition to changing when A-10s will be retired, we're also changing how it will happen. As 2022 approaches, A-10s will be replaced by F-35s only on a squadron-by-squadron basis as they come online, ensuring that all units have sufficient backfill and that we retain enough aircraft needed to fight today's conflicts.

While some members of Congress may think the Navy's phased approach for modernizing its guided missile cruisers is just a ploy to quickly retire them, that is incorrect – in fact, retiring them now or anytime soon would be a serious mistake. Our cruisers are the best ships we have for controlling the air defenses of a carrier strike group, and given the anti-ship missiles being developed by other nations, we not only can't afford to go without them; we also need them to be as modern and capable as possible, and for them to stay in service as long as they can. The Navy's plan is still smarter and more affordable than the approach laid out by Congress, saving us \$3 billion over the FYDP that we're putting to good use elsewhere in the budget. And to make clear that this is not a ploy to quickly retire our cruisers, we will be submitting proposed legislative language that Congress can pass to hold the department to its word.

Additionally, the Army is continuing to implement its Aviation Restructure Initiative in accordance with the FY 2015 National Defense Authorization Act as the Chief of Staff of the Army reviews the recent findings of the National Commission on the Future of the Army. While we will revisit the Army's aviation transfer plan when we receive the Chief of Staff of the Army's report, the Commission's proposal to keep four Apache battalions in the Army National Guard could cost over \$2.4 billion if the Army fully equips all 20 active battalions and keeps all aircraft currently dedicated to its equipment set in South Korea. By improving the readiness of the Army's Apache attack helicopters, and better leveraging the diverse capabilities Black Hawk helicopters bring to the table for National Guard missions both here at home and around the world when called upon as an operational reserve, the Army's planned Aviation Restructure Initiative is in the best interests of both the Army as well as the taxpayers who support it.

The Opportunity of Reform

Regardless of how any of our proposed reforms might be initially received, DoD needs Congress to work together with us on a path forward for all of them, because there's a real opportunity in front of us.

With last fall's budget deal, you showed that cooperation and prudent compromise for the good of our future security and strength was actually possible. And our reform submissions on things like the A-10, commissaries, and TRICARE reflect the fact we've heard Congress's concerns about past submissions, and made adjustments accordingly.

If we don't lead the way ahead together, both troops and taxpayers alike will be forced to deal with the consequences. So let's work together on their behalf.

AS PREPARED – EMBARGOED UNTIL DELIVERY

VI. REQUESTS OF THIS COMMITTEE: THE IMPERATIVE OF WORKING TOGETHER

Before concluding, I want to reemphasize the big picture, because this budget marks a major inflection point for the Department of Defense, and we need your support for it.

For a long time, DoD tended to focus and plan and prepare for whatever big war people thought was coming over the horizon – at one point becoming so bad that after a while, it started to come at the expense of current conflicts – long-term at the expense of the here-and-now. Thankfully we were able to realize that over the last decade, correct it, and with help from Congress turn our attention to the fights we were in.

The difference today is that, while such a singular focus made sense when we were facing off against the Soviets or sending hundreds of thousands of troops to Iraq and Afghanistan, it won't work for the world we live in. Now we have to think and do a lot of different things about a lot of different challenges – not just ISIL and other terrorist groups, but also competitors like Russia and China, and threats like North Korea and Iran. We don't have the luxury of just one opponent, or the choice between current fights and future fights – we have to do both, and we have to have a budget that supports both. That means funding a force with the right size, readiness, and capabilities to prevail in today's conflicts while simultaneously building a force that can prevail in the future – recognizing that future force won't exist unless we take actions today. That's what this budget submission was designed to do, and we need your help to do it.

I thank this committee again for overwhelmingly supporting the Bipartisan Budget Act that set the size of our budget; our submission focuses on the budget's shape, and we hope you approve it. I know some may be looking at the difference between what we proposed last year and what we got in the budget deal, but I want to reiterate that we're mitigating that shortfall, and that this budget meets our needs. The budget deal was a good deal – it gave us stability, and for that we remain grateful. Doing something to jeopardize that stability would concern me deeply. The greatest risk we face in DoD is losing that stability this year, and having uncertainty and sequester in future years. That's why going forward, the biggest concern to us strategically in the Congress is averting the return of sequestration next year so we can sustain all these critical investments over time.

By working together, I am confident we can succeed, because in many ways we already have. If we think back to those defense investments and decisions that changed the course of our nation's and our military's history for the better – and not just in technologies like GPS, the Internet, and satellite communications, but also in other areas, like the all-volunteer force – they were all able to benefit our security and our society because they garnered support across the aisle, across branches of government, and across multiple administrations.

That same support for what's in this budget is essential today to address the security challenges we face and seize the opportunities within our grasp. We need your support in the decisions that our senior military leaders and I are advocating for. We need you to work with us, and not tie our hands, when it comes to pursuing smart and critical reforms. And we need you to provide adequate, stable, predictable resources, as only you can, by coming together as you have before – including, in the coming years, to avert the return of sequestration once again. As long as you do, I know our national security and national strength will be on the right path, and America's military will continue to defend our country and help make a better world for generations to come.

Thank you.

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Mr. FRELINGHUYSEN. Thank you, Mr. Secretary, for your remarks.

Chairman Dunford, General Dunford, thank you for being with us, and thank you for your remarkable career.

STATEMENT OF GENERAL DUNFORD

General DUNFORD. Thank you. Chairman Frelinghuysen, Ranking Member Visclosky, Chairman Rogers, distinguished members of the committee, good morning, and thank you for the opportunity to join Secretary Carter and Secretary McCord in appearing before you. I am honored to represent the extraordinary men and women of the Joint Force. Our soldiers, sailors, airmen, marines, and civil servants remain our single most important competitive advantage.

Thanks to your support, the United States military is the most capable fighting force in the world. With your continued support, the Joint Force will continue to adapt, fight, and win in current operations, while simultaneously innovating and investing to meet future challenges.

I don't believe we ought to ever send Americans into a fair fight. Rather, we must maintain a Joint Force that has the capability and credibility to assure our allies and partners, deter aggression, and overmatch any potential adversary. This requires us to continually improve our joint warfighting capabilities, restore full spectrum readiness, and develop the leaders who will serve as the foundation for the future.

The United States is now confronted with challenges from both traditional state actors and nonstate actors. The Department has identified five strategic challenges, which Secretary Carter has already addressed.

Russia, China, Iran, and North Korea continue to invest in military capabilities that reduce our competitive advantage. They are also advancing their interests through competition with a military dimension that falls short of traditional armed conflict and the threshold for a traditional military response. Examples include Russian action in the Ukraine, Chinese activities in the South China Sea, and Iran's malign activities across the Middle East.

At the same time, nonstate actors, such as ISIL and Al Qaeda, pose a threat to the homeland, the American people, our partners, and our allies. Given the opportunity, such extremist groups would fundamentally change our way of life.

As we contend with the Department's five strategic challenges, we recognize that successful execution of our defense strategy requires that we maintain credible nuclear and conventional capabilities. Our strategic nuclear deterrent remains effective, but it is aging and requires modernization. Therefore, we are prioritizing investments needed for a safe, secure, and effective nuclear deterrent. We are also making investments to maintain a competitive advantage in our conventional capabilities. And we must further capabilities in the vital and increasingly contested domains of cyber and space.

As the Joint Force acts to mitigate and respond to challenges, we do so in the context of a fiscal environment that has hampered our ability to plan and allocate resources most effectively. Despite partial relief by Congress from sequester-level funding, the Depart-

ment has absorbed \$800 billion in cuts and faces an additional \$100 billion of sequestration-induced risk through fiscal year 2021. Absorbing significant cuts over the past 5 years has resulted in our underinvesting in critical capabilities, and unless we reverse sequestration, we will be unable to execute the current defense strategy.

The fiscal year 2017 budget begins to address the most critical investments required to maintain our competitive advantage. To the extent possible, within the resources provided by the 2015 Bipartisan Budget Act, it addresses the Department's five challenges. It does so by balancing three major areas: investment in high end capabilities, the capability and capacity to meet current operational demands, and the need to rebuild readiness after an extended period of war.

In the years ahead, we will need adequate funding levels and predictability to fully recover from over a decade of war and delayed modernization. A bow wave of procurement requirements in the future include the Ohio-class submarine replacement, continued cyber and space investments, and the Long Range Strike Bomber. It will also be several years before we fully restore full spectrum readiness across the services and replenish our stocks of critical precision munitions.

In summary, I am satisfied that the fiscal year 2017 budget puts us on the right trajectory, but it will take your continued support to ensure the Joint Force has the depth, flexibility, readiness, and responsiveness that ensures any future fight is not fair.

Once again, thank you for the opportunity to be before you this morning, and I look forward to your questions.

[The written statement of General Dunford follows:]

HOUSE APPROPRIATIONS COMMITTEE – DEFENSE

POSTURE STATEMENT OF
GENERAL JOSEPH DUNFORD JR., USMC
19TH CHAIRMAN OF THE JOINT CHIEFS OF STAFF
BEFORE THE 114TH CONGRESS
HOUSE APPROPRIATIONS COMMITTEE
DEFENSE SUBCOMMITTEE
BUDGET HEARING
FEBRUARY 25, 2016

HOUSE APPROPRIATIONS COMMITTEE – DEFENSE

I. Introduction

Chairman Frelinghuysen, Ranking Member Visclosky, members of this Committee, this posture statement addresses the state of our Nation's armed forces, the current security environment, and the opportunities and challenges that lie ahead.

I am humbled and honored to represent the incredible men and women of our Joint Force. During my first five months as Chairman, I have engaged Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen at every level. I am confident, and you should rest assured, that the United States' military is the most capable fighting force in the world. The character, ingenuity, competence, and self-sacrifice of the service members in our All-Volunteer Force remain our single greatest warfighting competitive advantage. I would like to express my gratitude to this distinguished body for its support in ensuring that we maintain the best equipped, trained, and led force in the world.

With the continued support of Congress, the Joint Force will continue to adapt, fight, and win in current operations while simultaneously innovating and investing to decisively win future conflicts. We must never send young Americans into a fair fight. Rather, we must maintain a Joint Force that assures our allies and partners, deters potential adversaries, and has unquestioned overmatch when employed. This requires us to focus on improving joint warfighting capabilities, restoring joint readiness, and developing leaders who will serve as the foundation of the future Joint Force.

II. Strategic Environment

The institutions and structures that have underpinned international order for the last several decades remain largely intact. However, the United States is now confronted with simultaneous challenges from both traditional state actors and non-state actors. The Department has identified five strategic challenges - Russia, China, North Korea, Iran, and Violent Extremist Organizations. Russia, China, Iran, and North Korea present two distinct challenges to our national security. First, they continue to invest in military capabilities that reduce our competitive advantage. Second, these actors are advancing their interests through competition with a military dimension that falls short of traditional armed conflict and the threshold for a traditional military response. This is exemplified by Russian actions in Ukraine, Chinese

activities in the South China Sea, and malicious cyber activities. At the same time, non-state actors such as ISIL, al-Qaida, and affiliated organizations are destabilizing parts of the international community, attacking our global interests and threatening the homeland. We must address these challenges to protect the stability of the international order and preserve U.S. influence.

Successful execution of our defense strategy requires that we maintain credible nuclear and conventional capabilities. Our strategic nuclear deterrence force remains safe, secure, and effective but is aging and requires modernization. We are prioritizing renewed long-term investments in early warning sensors; nuclear command, control, and communications; and our triad forces. Similarly, we are making investments to maintain a competitive advantage in our conventional capabilities. However, potential vulnerabilities to our national security extend beyond just conventional or nuclear threats. To preserve the security of the homeland, we must prevent the proliferation and use of WMD and associated technologies. We must also further develop our capabilities in the vital and increasingly contested domains of Cyber and Space.

Future conflict with an adversary or combination of adversaries is taking on an increasingly transregional, multi-domain, and multi-functional nature. This is a marked shift from how past conflicts were fought and will put significant stress on the Department's geographically-based organizational structure and associated command and control (C2) architecture. Future conflict will spread quickly across multiple Combatant Command geographic boundaries, functions, and domains. We must anticipate the need to respond to simultaneous challenges in the ground, air, space, cyberspace, and maritime domains. It is this type of operating environment that informed our investments in PB 17 and our efforts to more effectively integrate joint capabilities.

As the Joint Force acts to mitigate threats to U.S. interests against the backdrop of the Department's five strategic challenges, we do so in the context of a fiscal environment that hampers our ability to plan and allocate resources most effectively. Despite partial relief by Congress from sequester-level funding since FY12, the Department is absorbing approximately \$800B in cuts compared to the ten-year projection in the FY 2012 Budget, and faces an additional \$100B of sequestration-induced risk through FY21. Absorbing cuts of this magnitude has resulted in underinvestment in critical capabilities. PB17 takes necessary steps toward balancing the needs of meeting current and future operational requirements, investing in

capability development, and keeping faith with service members and their families. We must continue to work together to develop future budgets which provide the investment levels and flexibility needed to address our national security interests.

III. Current Assessment of the Joint Force

As directed in the 2014 Quadrennial Defense Review, the U.S. Armed Forces must be able to simultaneously defend the homeland while waging a global counterterrorism campaign, deter potential adversaries, and assure allies. If deterrence fails, the U.S. military must be capable of defeating one adversary while denying a second adversary's objectives in a different region. Due to shortfalls in capacity and critical capabilities such as ISR and long-range strike, as well as increased timelines for force movements, the Joint Force will be challenged to respond to a major contingency while simultaneously defending the homeland and continuing the counter-VEO mission. Capability and capacity shortfalls would be particularly acute if the force were called to respond to a second contingency on an overlapping timeline. Moreover, some allies and partners are less capable or willing to fill these gaps than in the past.

Today, Combatant Command assigned missions can be accomplished, but all Combatant Commanders cite resource limitations and capability shortfalls that may increase casualties, lengthen response timelines, and extend the duration of a future conflict. There are also shortfalls in our ability to conduct day to day shaping activities that serve to mitigate the risk of conflict and properly posture the force in event of conflict. These shortfalls include the number of ready response units in the Services' non-deployed force, theater ISR assets, Command and Control, intelligence, cyber operations, precision munitions, missile defense, and logistics.

Recovery of full-spectrum Joint Force readiness remains fragile. The adverse impact of budget reductions over the past several years combined with a persistently robust global demand for forces and capabilities continues to impede our ability to rebuild readiness after more than a decade of contingency operations. Regaining full-spectrum capabilities and appropriate levels of material readiness will take time, resources, and a healthy industrial base.

The Joint Force has maintained competitive advantage in technology for several decades. However, this advantage has been eroded by our adversaries' efforts to improve their warfighting capabilities and avoid or counter U.S. military technological strengths. Moreover, the rapid pace

of technological advances combined with the wide proliferation of new technologies has allowed our adversaries to more easily acquire advanced capabilities. This is highlighted by the increasing ease of access to cyber and space technologies and expertise in the commercial and private sectors. Adversaries are able to diminish the long-term advantage of key U.S. capabilities by leveraging access to commercial technology, targeting our defense industrial base with cyber espionage and sabotage, and developing capabilities within tighter development cycles than our bureaucratic acquisition cycle allows.

IV. Capability Trends for Key Challenges

The Department's five strategic challenges were the primary driver behind our risk assessment. For a classified analysis of these challenges and our response options, please review my Chairman's Risk Assessment and the Secretary's Risk Mitigation Plan.

Russia - Russia's actions threaten NATO cohesion and undermine the international order. Russia's military modernization and doctrine development aim to neutralize traditional U.S. competitive advantages and limit strategic options.

The Russian military presents the greatest challenge to U.S. interests. Russia is also the only actor aside from the United States that can project strategic power simultaneously in multiple regions. To assure our national security and reinforce international order, the United States and our NATO allies must improve our military capability, capacity, and responsiveness to deter a resurgent Russia. While Russia has not signaled the intent to directly attack the United States or our NATO allies, Russia's National Security Strategy identifies the United States and the expansion of NATO as threatening their national security. Moscow's strategic nuclear capabilities represent a potential existential threat to the United States, and their non-strategic nuclear capabilities threaten our allies and U.S. forward-based forces in Europe and Asia. Russia has also shown a willingness to use competition short of traditional military conflict - such as in Ukraine - to pursue its strategic goals.

In recent years, Russia has undertaken a long-term strategic armaments program designed to develop military capabilities and systems that erode our competitive advantage across the spectrum of conflict. Russia has modernized its strategic nuclear forces, enhanced their force projection and anti-access/area denial (A2/AD) capabilities, and significantly increased its

proficiency in executing hybrid operations. Operations in Ukraine and Syria serve to demonstrate these new capabilities and increase their proficiency.

In the Cyber domain, Russia is a peer competitor of the United States and has demonstrated a willingness to exploit cyber to achieve its objectives. We suspect Russia has conducted a range of cyber operations against government, academic, and private networks. Russian cyber capability could potentially cause considerable damage to critical network equipment and national infrastructure throughout the United States and Europe. In the near to medium term, Russia is also modernizing its counter-space capabilities to defeat a wide range of U.S. space-based capabilities while seeking to secure Russian freedom of action.

In summary, Russia is improving its high-end warfighting capabilities and closing the gap on our competitive military advantages. Since 2008, Russia has demonstrated increasingly sophisticated military capabilities and doctrine. In these operations, Russia has broadly operated across the spectrum of conflict to include information operations and cyber warfare. Russia is the only actor that can project strategic power in multiple regions to threaten U.S. national interests and coerce U.S. and allied decision-makers.

PB17 addresses Russia's aggressive policies and military modernization through investment in a number of high-end capabilities. The budget request also quadruples funding for the European Reassurance Initiative (ERI) to \$3.4B in FY17 to reassure our NATO allies and deter Russian aggression.

China - China's rapid military modernization and expanding presence in Asia and beyond increase the probability for misunderstanding and miscalculation.

China is engaged in a sustained military modernization effort that is reducing our competitive military advantage against it. This effort is coupled with an ambitious foreign military-to-military engagement program that aims to acquire advanced tactics, training, and procedures from other developed militaries. China is also seeking to improve the joint capability of its armed forces to project power-enhancing its ability to fight and win a high-intensity regional conflict. Critical to Chinese efforts is the development of capabilities that specifically counter U.S. operational strength.

Over the course of the last year, China's military operations have expanded in size, complexity, duration, and geographic location. Additionally, China continues to make large-scale investments in advanced A2/AD capabilities, including short-, medium-, and intermediate-range ballistic and cruise missiles employing countermeasures to deny U.S. missile defense systems. China is also investing in land attack and anti-ship cruise missiles, counter-space weapons, cyber, improved capabilities in nuclear deterrence and long-range conventional strike, advanced fighter aircraft, integrated air defenses, undersea warfare, and command and control capabilities. China's nuclear-capable missile forces pose a military risk to the U.S. homeland. China's land-based missile forces continue to expand, increasing the number of nuclear warheads capable of striking the United States as well as bases in the Pacific theater.

The aggregate of China's expanding, well-resourced, and well-trained cyberspace forces represent a threat to the United States. China's use of computer network attacks in a conflict with the United States or our allies and partners could seriously limit access to cyberspace and further degrade deployment and sustainment of forces. In the Space domain, China continues to enhance its ability to support terrestrial operations. By pursuing a diverse and capable range of offensive space control and counter-space capabilities, China is also working to diminish U.S. space dominance.

In summary, China's rapid military modernization is quickly closing the gap with U.S. military capabilities and is eroding the Joint Force's competitive military advantages. China's military forces can constrain U.S. military operations in the Western Pacific and hold key U.S. infrastructure and facilities at risk. Its strategic capabilities are improving and present an increasing risk to the U.S. homeland and our allies.

PB17 is supportive of our commitment to the Asia-Pacific rebalance. It invests in high-end capabilities, particularly those needed to maintain undersea dominance and to counter A2/AD capabilities. The budget request also funds the buildup of Guam as a strategic hub, initiation of P-8 maritime patrol aircraft rotations in Singapore, implementation of rotational initiatives in Northern Australia, and positioning F-35 fighters in Japan in 2017.

North Korea - North Korea's nuclear weapons and ballistic missile programs, increasing asymmetric capabilities, and willingness to use malicious cyber tools threaten the security of the

homeland. These capabilities, alongside conventional forces, also threaten our allies in the region.

North Korea has an opaque and confrontational national leadership, the fourth largest army in the world, and increasing nuclear and ballistic missile capabilities. The regime represents an immediate threat to U.S. allies in the region and an increasing threat to U.S. territories and the homeland.

The United States maintains a competitive military advantage against the relatively low-technology North Korean military. However, in the event of a conflict on the peninsula, North Korea may be able to seize the initiative and rapidly escalate hostilities utilizing special operations forces, mass, and long-range fires. Risk of large numbers of civilian and military casualties remains high.

North Korea continues to develop its offensive and intelligence-collection capabilities aimed at exploiting U.S. and allies' cyber domains. North Korea's current cyber capabilities remain modest and pose the greatest threat to poorly defended networks. We expect North Korea to continue investing in more capable cyber tools to develop asymmetric options which can be effective against more sophisticated networks.

In summary, North Korea's ballistic missile and nuclear developments, willingness to conduct malicious cyber activities, and potential to seize the initiative in a conflict on the peninsula pose risks to the security of the United States and our allies.

As previously noted, PB17 is supportive of our commitment to the Asia-Pacific rebalance and accounts for the challenges posed by North Korea. The budget provides additional funds for conventional munitions and continues investment in missile defense.

Iran - Continued expansion of Iranian malign influence in the Middle East threatens the stability and security of key regional partners. Iran is increasingly capable of restricting U.S. military freedom of action in the region.

Iran is improving the quality and quantity of select conventional military capabilities. Specifically, Iran continues to leverage its position on the Strait of Hormuz to pursue an area denial strategy with increasing capability and capacity of ISR, anti-ship cruise missiles, fast

attack craft, fast inshore attack craft, submarines, and mines. Iran augments its maritime patrol capacity with unmanned aerial reconnaissance systems and is developing an armed unmanned aerial system capability. Improvements in the quality, quantity, and lethality of Iran's military capabilities threaten both U.S. interests and freedom of action within the region.

To date, Iran has not demonstrated the capability to strike the continental United States with a ballistic missile. However, Iran has made significant strides in its missile development programs since 2009, when it successfully launched its first satellite. In 2010, Iran unveiled a new space launch vehicle that - if configured as a ballistic missile - would be capable of reaching the United States. In the Cyber domain, Iran's capabilities present a limited but increasing threat to the United States. Iran has demonstrated some degree of success in targeting vulnerable critical infrastructure networks.

In summary, Iran and its malign activities present the greatest threats to U.S. interests in the Middle East and North Africa. Tehran has demonstrated the ability to project influence across the region and presents an asymmetric threat to the United States and its regional partners. Iran's conventional military modernization is not likely to compete with U.S. capability, but its ballistic missile force can hold key regional U.S. infrastructure at risk.

PB17 addresses Iran's malign activities through investments in capabilities that improve our posture, enhance regional partnerships, and provide options in the event of a contingency. Specifically, the budget funds additional capabilities for power projection, sea control, and regional missile defense.

Violent Extremist Organizations - VEOs threaten the stability and security of key regional partners and many of our closest allies. Their ability to inspire attacks threatens the security of U.S. citizens and interests at home and abroad.

VEOs are distinct from the other four threats, representing both an immediate and long-term risk. Counter-VEO operations will require continued focus and resources even if the Joint Force is called on to respond to a contingency involving Russia, China, Iran, or North Korea. While VEOs do not pose an existential threat to the United States, they continue to increase their abilities to inflict harm upon our vital interests. Several of our partner nations -from South Asia to the Middle East and Africa - are battling VEOs that have established territorial control and are

directly challenging existing governments. U.S. values and the rules-based international order are also threatened by VEOs. Additionally, VEO-driven conflicts have generated mass migration and significant flows of foreign fighters to and from conflict zones, which poses risk to the United States and our allies and partners in the Middle East, North Africa, and Europe.

The PB17 submission funds our ongoing counter-VEO operations. PB17 OCO funding will help establish counterterrorism platforms in South Asia (Afghanistan), the Middle East (Levant), East Africa (Djibouti), and an enhanced presence in North/West Africa. These platforms will provide sustainable, flexible, and scalable nodes from which to conduct planning and synchronize operations within the U.S. government and with allies and partners.

V. Crosscutting Sources of Military Risk

The Joint Force faces a variety of crosscutting sources of military risk: gaps and shortfalls that impact our ability to accomplish our missions and objectives, both in today's operations and in tomorrow's potential conflicts.

Multiple, overlapping contingencies

In accordance with the 2014 Quadrennial Defense Review, the U.S. Armed Forces must be capable of simultaneously defending the homeland while waging a global counterterrorism campaign, deterring potential aggressors, and assuring allies. If deterrence fails, U.S. forces must also be capable of defeating an adversary and denying the objectives of - or imposing unacceptable costs on - a second aggressor in another region. The Joint Force will be stressed to execute a major contingency operation on desired plan timelines with available assets, while simultaneously defending the homeland and continuing the counterterror fight against VEOs. Response to aggression by another adversary at the same time would be further limited due to capacity shortfalls, force movement timelines, and the dedication of enabling forces and capabilities elsewhere.

Intelligence, Surveillance, and Reconnaissance

A lack of theater ISR surge capacity diminishes the Joint Force's responsiveness and flexibility to support emergent crisis or contingency. Current theater ISR assets and associated analytic support capacity remains short of Combatant Commanders' increasing requirements.

High Demand - Low Density Capabilities

HD/LD capability and capacity shortfalls affect our ability to achieve assigned missions. We continue to operate systems in several critical mission areas and deploy personnel with specific specialty skills at high rates, resulting in minimal to no surge capacity in those areas. Similar to ISR, this negatively impacts the Joint Force's responsiveness and flexibility to support emergent requirements. HD/LD capability shortfalls that pose significant military risk include: missile defense systems, naval expeditionary forces, personnel recovery assets, airborne command and control systems, explosive ordnance disposal assets, air superiority and global precision strike units, and cyber mission forces.

Munitions

Key precision guided munitions shortfalls are exacerbated by ongoing operations and may impact potential contingency response. Additionally, our current global inventories are insufficient for theater missile defense (TMD), standoff, and air-to-air munitions needs.

Logistics

We are seeing increasing risk associated with the Joint Logistics Enterprise's ready and available capacity. Critical logistics enablers lack capacity and responsiveness: 79% of such units report reduced readiness levels which affects mission accomplishment flexibility and increases vulnerability. A majority of these elements are motor transportation, engineer, and cargo handling units necessary to support the deployment and sustainment of combat elements. Of these units, the vast majority reside in the Reserve Component (RC). As such, any contingency that requires responses on a timeline faster than that designated for RC mobilization will face risk from the lengthened timelines for combat forces and their sustainers to arrive in theater.

VI. PB17 Summary

PB17 addresses the Department's five strategic challenges - a resurgent Russia, a rising China, North Korea, Iran, and VEOs - by balancing the demands of readiness, capacity, and capability within the resources provided by the 2015 Bipartisan Budget Agreement. The total FY17 topline, which is approximately \$17B below what we planned in PB16, required us to defer modernization in favor of near-term readiness and force structure. These reductions and delays in

modernization will exacerbate the procurement bow wave we confront at the end of the Future Year Defense Program (FYDP) and compound risk to the overall balance of the Joint Force.

PB17 also contains fiscal risk. The budget assumes higher topline in FY 18-21, continued favorable economic factors, and future efficiencies. We also continue to depend on OCO funding for ongoing contingency operations and Joint Force readiness recovery.

Key Capability Investments

Given a constrained topline, PB17 prioritizes investments to modernize the future Joint Force while balancing capacity and readiness.

TACAIR

The Air Force accepts risk in the "air" domain in order to invest in nuclear enterprise, space, and cyber priorities. Cuts in fifth generation fighter aircraft procurement create risk in the mid-2020s, which will be mitigated by 4th generation fighter aircraft enhancements. PB17 funds 54 Air Force combat-coded fighter squadrons in the base budget and one squadron supporting the European Reassurance Initiative in the OCO budget (a total of six more squadrons than the PB16 plan for FY17). The Department of the Navy will procure additional F-35C (+ 10), F-35B (+3), and F/A-18E/F (+ 14) over PB16 levels. The Department of the Navy will also complete its planned buy of 109 P-8A by FY19.

Cyber

State actors will remain the most capable threats to computer network operations. Non-state actors - VEOs, ideological hackers, and cybercriminals-have demonstrated high-level network intrusion skills against the U.S. government and private entities and will continue to develop sophisticated tools to achieve their objectives. Developing and growing the Cyber mission force will require a long-term concerted effort. PB17 invests in both quantity and quality of cyber capabilities. It funds \$6.78 in FY17 (a 13% increase) and approximately \$34B across the FYDP in cyber posture and capabilities - including investments in strategic cyber deterrence, cyber security, and offensive cyber.

Space Acquisition

PB17 makes significant investment in space posture and capability. We are funding \$7B in FY17 and approximately \$38B across the FYDP, including space situational awareness, space launch capabilities, and command & control of critical space architecture. Other budget items will harden follow-on communications and warning satellites, accelerate GPS replacement to assure targeting accuracy and ability to resist jamming, and add security features to prevent exploitation and increase overall system resilience, safety, and stability.

Airborne ISR

There is an ever-increasing demand for ISR assets to inform and enable our current and future warfighting efforts; PB17 invests in aircraft procurement and ISR support infrastructure. This is an area where we must increase both capacity and capability in the coming years. Continued shortfalls will stress the force to meet current requirements and do not provide any surge capacity to address near-peer challengers or overlapping contingency operations.

The Navy is reducing planned Unmanned Carrier Launched Airborne Surveillance and Strike program capabilities in order to deliver a low-end, permissive-environment tanking and surveillance capability (saving approximately \$680M across the FYDP). The Air Force projects no significant change from PB16, maintaining its plan for 60 M Q-9 Combat Air Patrols and JSTARs Recapitalization.

Power Projection

PB17 addresses critical power projection capabilities and related assets required to operate in non-permissive environments stemming from adversary advances in A2/AD. PB17 leverages ongoing initiatives to improve survivability of critical assets and enhance offensive strike capability. It invests in hypersonic vehicle concepts, flight demonstrations, infrastructure, and advanced conventional warheads. It also funds improvement in critical base and missile defenses through expedient shelters and multispectral camouflage. Finally, it increases the survivability in the undersea domain by investing in Maritime Strike Tactical Tomahawk capability, Unmanned Undersea Vehicle capabilities, additional Virginia Payload Modules, and Acoustic Superiority Program upgrades on OHIO- and VIRGINIA-class submarines.

Shipbuilding

Joint Force shipbuilding investment is on track to meet fleet goals in PB17. The Navy continues to grow the size of the fleet toward the goal of 308 ships to meet warfighting and posture requirements. PB17 continues procurement of 10 DDG-51 Flight III destroyers across the FYDP but reduces planned Littoral Combat Ship procurement from 52 to 40. It also invests in undersea capabilities as described previously.

Munitions

PB17 invests in rebuilding depleted stocks of precision guided munitions and in future critical munitions capabilities and enhancements. Specifically, the budget includes \$1.8B for precision guided munition replenishment due to usage during ongoing operations. Looking toward the future, the Navy is maximizing production of SM-6 missiles while maintaining required levels of other advanced munitions. It is also beginning development of follow-on torpedoes and modernizing Tactical Tomahawk to enhance maritime strike capability. The Air Force will continue with last year's plan to convert unguided bombs into all-weather smart weapons. The Marine Corps and the Army are funding RDT&E to support FY20 development of area effects munitions compliant with the Departmental cluster munitions policy. Finally, the Army plan procures an additional 80 Army Tactical Missile System (ATACMS) Service Life Extension Program missiles, which bridges the capacity gap until the Army can develop and procure improved capability ATACMS.

Nuclear Enterprise Sustainment and Recapitalization

Because nuclear deterrence is the highest priority of the Department of Defense, PB17 enhances investment in all three legs of our aging nuclear triad. Within the nuclear enterprise, the budget funds \$ 19B in FY17 and approximately \$108B across the FYDP, adding \$9.8B (an increase of 10%) to sustain and recapitalize the nuclear triad and strategic command, control, and communication systems. It invests in legacy strategic bomber modernization, ground-based strategic deterrence, incremental funding of the first ship of the OHIO-class replacement program, long-range strike bomber, long-range standoff cruise missile, and the security helicopter replacement.

Counterterrorism

The FY17 budget request includes approximately \$ 13.B to support counterterrorism efforts in South Asia (Afghanistan), the Middle East (the Levant), East Africa (Djibouti), and an enhanced presence in North/West Africa. These capabilities are essential to implementing a new framework to counter terrorism, particularly against ISIL, that more effectively synchronizes counter-VEO efforts within the Department and across the government.

People and Institutions

Talent and Leadership

Beyond budgets and technology, the All-Volunteer Force remains our greatest asset and true warfighting competitive advantage. The future operating environment will place new demands on leaders at all levels. Our leaders must have the training, education, and experience to meet those demands. We are undertaking a series of significant changes to the personnel systems which have previously underpinned the Joint Force: military pay and compensation modifications, retirement reforms, talent management initiatives, and diversity integration efforts. These changes aim to make the Joint Force an inclusive, more agile, and stronger force by leveraging the talents of all qualified citizens to meet the challenges of the future. The Services are responsible to assess and execute these changes; not all will be easy. However, we are committed to preserving standards, unit readiness, and cohesion, and we will steadfastly adhere to our principles of dignity and respect for all service members over the continuum of their service and beyond.

End strength

Our end strength is driven by strategy but is also constrained by current fiscal realities. PB17 projects the force end strength consistent with the 2014 QDR forecasts. However, the emergence of ISIL and Russian revanchism has changed the strategic environment since the QDR was published. Force availability shortfalls hamper our ability to rapidly respond to multiple, overlapping contingencies. End strength reductions below the current plan must be carefully weighed against the end states sought by the Department.

Active Duty Service end strengths in the proposed PB17 remain relatively constant across the FYDP (less than 0.7% overall reduction by FY21). The Active Component will be reduced by 9,800 personnel across the Services by FY21, with most of that reduction coming in the Army by FY18. Reserve Component end strength will see negligible decreases. Specifically, the Army will maintain end strength and capacity to meet operational requirements, and build a rotationally focused and surge-ready 980K Total Army (450K Active Component), consistent with the 2014 QDR. Both the Navy and Marine Corps will maintain Active Component end strength numbers at 323K and 182K, respectively. The Air Force will maintain Active Component end strength at 317K.

VII. Conclusion

PB17 reflects difficult choices made in the context of today's security challenges and fiscal constraints. Our budget submission balances investment in the high-end capabilities needed to counter major power competitors, the capacity to meet current operational demands and potential contingencies, and the need to rebuild readiness after an extended period of war. However, to accommodate a constrained topline, PB17 defers near-term modernization which will only exacerbate a coming wave of strategic recapitalization and other procurement requirements. More broadly, the cumulative effect of topline reductions over the past several years has limited the flexibility and resiliency of the Joint Force, and looking ahead I am concerned that the demand for future capabilities and capacity will outpace the resources available, forcing even more difficult decisions to match strategy and resources. I am grateful to Congress for your continued support, and I look forward to working with you to ensure the United States maintains the most capable fighting force in the world – and to ensure we never have to send American men and women into a fair fight.

GUANTANAMO

Mr. FRELINGHUYSEN. Thank you, General Dunford.

Let me associate myself with the remarks of Chairman Rogers' concern about prisoners being released from Guantanamo that go back to the fight. I mean, that is disturbing. I think it makes me quite angry.

In light of the President's intention to visit Cuba, there has been some speculation that there might be some announcement that would relate to the future of the Naval station at Guantanamo. Can you assure us that there are no plans for any change of our operations and historic role there?

Secretary CARTER. I know of no such plans. Our plan, in fact, is just the opposite, which if you are talking about the Guantanamo Bay Naval—

Mr. FRELINGHUYSEN. Yes, the Naval base. There has been some speculation that they might—

Secretary CARTER. This is not about—no. GTMO's a strategic location.

Mr. FRELINGHUYSEN. Absolutely. We have less assets in the region than we have ever had.

Secretary CARTER. Yeah. The detention thing is a separate subject. And just to agree with Chairman Rogers, the reason to have a conversation with the Congress about the future of the detention facility at Guantanamo Bay is precisely because there are people there who cannot be safely transferred to the custody of another country. That means they need to stay in detention. And so they have got to go somewhere. And if they are not going to be at Guantanamo Bay, they have to be somewhere in the United States.

The proposal that the President made and that we helped him craft asks Congress, because doing so is forbidden by law now, to work with us to see if we can devise a detention facility in the United States precisely in recognition of the fact that we are not going to be able to let these people out.

Mr. FRELINGHUYSEN. Respectfully, my question had to do with the future of the Naval station.

Secretary CARTER. The Naval station—

Mr. FRELINGHUYSEN. There are no plans for—

Secretary CARTER. None.

Mr. FRELINGHUYSEN [continuing]. Some sort of an announcement that would change—

Secretary CARTER. No.

Mr. FRELINGHUYSEN [continuing]. Our historic role there?

Secretary CARTER. No.

OVERSEAS CONTINGENCY OPERATIONS

Mr. FRELINGHUYSEN. Let me focus a little bit on the Middle East. I think the committee is going to be taking a look at, and I know Mr. Visclosky and I worked very closely on what is called the overseas contingency operations account, which historically is aimed at the focus on the war on terrorism. We did a pretty good job of vetting in our last bill all aspects of that account.

Can you review for the committee very briefly—I see at the top of the funding responsibility the issue of force protection. We still

obviously have troops in the region. Can you review for the committee very briefly the issue of force protection, our continued, and it is, may I say, a rather expensive investment, in the Afghan Security Forces Fund, their capabilities? Even after all these years of supporting them, there are some questions as to how capable they are.

And two areas that have been mired in some, I won't say controversy, speculation, Iraq train and equip, Syria train and equip.

Can you briefly go through the list with our committee as to why these are your particular focuses? It is not that they aren't ours, but in reality, could you briefly go through that?

Secretary CARTER. Absolutely. And I will start out and then ask the Chairman also to elaborate on some of this.

You are right, those are four ingredients of our OCO request. There are others, like the European Reassurance Initiative that I mentioned, which is about Russia.

We very much appreciate your support for OCO, and we understand that—I know the Constitution, which is we propose and you decide on the budget, so every nickel that is in OCO is subject to the visibility and approval of this body, and that is perfectly appropriate, and we are used to that and very comfortable with that. And it is used for a variety of absolutely essential purposes. I will touch on a couple of them.

Force protection is the highest priority that we have, both abroad and at home. Taking care of our people is incredibly important. So it remains a high priority. I will ask the Chairman to say something more about that, because he and I were just talking about that yesterday in some locations. He is also the expert on Afghanistan, having done an absolutely fantastic job of commanding there, but just so he doesn't have to sing his own praises.

Mr. FRELINGHUYSEN. Indeed he has.

Secretary CARTER. He really did. He really did. And as a consequence, despite all the interruption of a year, almost a year, eight months in the transition of the Afghan Government from Karzai to the National Unity Government of Ghani and Abdullah, despite the fact that—and I remember that when—when we started to build the Afghan Security Forces, you were dealing with recruits who couldn't read and write.

The Afghan Security Forces' capability is growing. They have many of the capabilities, but not all the capabilities they need. That is why we stick with them. That is why our plan is to stick with them. And that is why in our budget, by the way, we request funding for the Afghan Security Forces for fiscal year 2017. And our plan is to continue to do that in the future. And all of the other NATO and other partners have also committed to doing that, supporting the Afghan Security Forces.

Because the whole strategy, and the one that General Dunford executed so well, was to make the Afghan Security Forces capable of securing the country, stopping terrorism from once again arising on that territory and striking the United States, and also to give us a friend in a dangerous part of the world. And all of that is what we are pursuing in Afghanistan. That is why we want to stick with it.

You mentioned also train and equip—

Mr. FRELINGHUYSEN. Well, to some extent part of what we are doing in Afghanistan is a perpetual, apparently, train and equip. So, General Dunford, and then I am going to go to Mr. Visclosky.

General DUNFORD. Chairman, if I could start with Afghanistan, where you finished. To put it in some kind of perspective for the committee, when I arrived in Afghanistan in February of 2013, so about 3 years ago, we had over 100,000 U.S. forces on the ground that were fundamentally responsible for security in Afghanistan. Today, we have 8,800 Americans on the ground. And in the interim period, the Afghan Security Forces have assumed responsibility for security in Afghanistan, they have conducted two elections, and gone through a very difficult and politically turbulent period.

So, quite honestly, we have a lot of work to do, and particularly in the area of the aviation enterprise, special operations, intelligence, and so forth. But if you put in perspective where we have come from the last three years and you put in perspective the current investment versus where we were three years ago, but more importantly, if you put in perspective our national interests in Afghanistan, which are to maintain an effective counterterrorism platform and partner in that part of the world, from which we face a still significant threat, my assessment is that we are moving in the right direction, certainly not as quickly as we want to.

Let me assure the committee on force protection, we have very specific standards. We work hard in the Department to do that. I think you know when Secretary Carter was the deputy and we moved forward on the MRAP program, that was evidence of the commitment that we have to our people. And today those standards and the lessons learned over the past ten years have been incorporated and, frankly, reflected in the investment that we make in taking care of our people.

And very quickly on the Syria and Iraq—

Mr. FRELINGHUYSEN. Yeah. I mean, there has been, obviously, a lot in open sources about the lack of success in some of those areas. So maybe you can talk a little bit about that.

General DUNFORD. Lack of success in force protection?

Mr. FRELINGHUYSEN. No, in train and equip.

General DUNFORD. Oh, in train and equip.

Mr. FRELINGHUYSEN. We have got a lot of people on the payroll, we are training a lot of people.

General DUNFORD. Chairman, over the last—

Mr. FRELINGHUYSEN. We want to make sure that those tax dollars are well spent.

General DUNFORD. First of all, the endeavors in Iraq and Syria, relatively speaking, if you put it in perspective from some of the things we have done in the past, is still relatively new. We have trained over 15,000 in Iraq, and the evidence of their performance was recently demonstrated in Ramadi and is currently demonstrated in Anbar Province.

And so where we were four months ago, I would tell you, four months ago we did not have the momentum in the campaign in Iraq. Today, I can tell you with authority that we do have the momentum and the Iraqi security forces have proven to be capable in the Anbar Province and are now organizing for operations up in the north.

We have trained 2,500 Peshmerga. They also have been extraordinarily successful in cutting the lines of communication between Iraq and Syria, and they will also be very important as we conduct operations in Mosul.

In Syria itself, we had a slow start, but right now, as Secretary Carter outlined, the partners that we have on the ground that are being supported by U.S. funding, the ones that just recently took Shadadi, are going down to now isolate soon the caliphate, the location of the caliphate in Raqqa. And, again, they have also been successful in cutting the lines of communication between Iraq and Syria.

So from my perspective, a lot of work left to be done, but the enemy is under great pressure. We have significantly reduced their freedom of movement. We have begun to virtually and physically isolate them in their major areas of concentration, and we are doing that by, with, and through the Iraqi and Syrian partners that we have trained over the past year.

So my assessment is that, again, much work to be done, but the trajectory is in the right direction.

Mr. FRELINGHUYSEN. Well, we will be watching those programs very carefully. And thank you for your assessment.

Mr. Visclosky.

AUDIT READINESS

Mr. VISCLOSKY. Thank you, Mr. Chairman.

Gentlemen, just for the record, I would continue to reiterate my concern about making sure we are on schedule for the Department to have auditable financial statements by 2017. Not orally here, but for the record, if you could respond to any major investments that still need to be made, and if so, any of those automated systems, whether or not they are fully funded in the fiscal year 2017 request.

Secretary CARTER. We will provide that.

[The information follows:]

The Department is committed to having the majority of its components under audit by the end of 2017. We currently have approximately 80 percent of the Department's total General Fund budgetary resources under audit, representing approximately 90 percent of dollars appropriated since Fiscal Year (FY) 2015. We still have plenty of work left to address findings from these audits, but this consistent and more rigorous audit regimen will result in stronger business processes that produce higher quality financial information for decision-making. As with most other large Federal agencies, we are confident that positive audit opinions will result over time.

Substantial resources have been designated to support achieving auditable financial statements. In FY 2017, we project spending \$629 million on audit readiness management and oversight, validation of component and service provider audit readiness, and support for Independent Public Accountant financial statement audits. In addition, we project spending \$71 million in FY 2017 for financial systems. We have assessed our environment and believe we have identified all major investments and resources, including deployment of automated systems, needed to support annual audits. Funding for these systems is included in the President's FY 2017 budget request. As remaining audit readiness activities are completed and audits continue, the Department will continue to refine resource requirements.

DEFENSE INDUSTRIAL BASE

Mr. VISCLOSKY. I appreciate that.

Mr. Secretary, the issue I would want to address at the outset is the industrial base that I am very concerned about. I think all of you are as well. Are there any particular sectors, industries, components that the Department today has a problem with? Every time we get a waiver notice from the Department of acquisition, it brings this problem to mind, and I am very concerned about it.

Follow-up is, what can be done? Is there something from a budgetary standpoint that is lacking that we can be helpful with?

Secretary CARTER. Well, thank you. And I share that concern and long have shared that concern because, second only to our people, it is the unparalleled quality of our equipment that makes us the finest fighting force the world has ever known. We have got to keep that going. It does depend upon a healthy industrial base.

And two things, Mr. Visclosky, come to mind. I mean, first of all, the stability that you have provided that I spoke of early is simply having a knowledge of what our budget is going to be two years in a row. That is the kind of thing that allows our program managers to manage programs in a more stable basis so that the levels below the prime contractor, which depends so totally upon those contractors to make all the spare parts and so forth, stay in the game and don't decide they can't work with Defense anymore.

In answer to your question, what is the single sector that I am most concerned about, one is certainly manufacturing. That is one of the reasons why we have started manufacturing institutes, funded manufacturing institutes several places around the country, these are public-private partnerships focused on manufacturing, because it is a problem in our country overall, is making sure that we maintain competitive advantage in manufacturing relative to other parts of the world. But it affects the defense industrial base very directly as well.

And then finally, there are some products that we can't outsource to other countries because we can't fully trust them. And that is the reason behind such investments as the Trusted Foundry and so forth, to make sure that we have control over certain critical components.

So it is a very broad—you know, we have, jeez, almost \$200 billion of investment in our industry every year, research, development, and acquisition. It is a very substantial part of the industrial economy and it is important that we manage it well so that the strength of America's manufacturing base stays strong and stays strong for us.

Mr. VISCLOSKY. Besides the predictability, which I wouldn't at all argue, are there any budgetary shortfalls? You mentioned the institutes. Is there anything we can do to be helpful to make sure we don't have any more degradation as far as the manufacturing capability?

Secretary CARTER. I think we have tried to put in our budget—but if I may, I will come back and try to highlight the things that we have done. It is very much on the minds, I know, of our under-secretary for acquisition, technology and logistics, Mr. Kendall. The manufacturing institutes come to mind, changes we have made in payment schedules on contracts. But the main thing is the stability of our overall programs.

But I will come back to you with more specifics, because I think it is an excellent—not an excellent concern, there is no such thing as an excellent concern, but I certainly share your concern.

[The information follows:]

WHETHER THERE ARE BUDGETARY SHORTFALLS IMPACTING THE HEALTH OF THE INDUSTRIAL BASE

Yes. While I believe that we have reasonably balanced our investments focused on industrial base health, requirements in this area will nearly always exceed the availability of funds. Recent analysis identified a number of high-risk industrial base sectors that provide critical, defense-specific products, which impact our current and future technical dominance and power projection capabilities. The areas of highest risk involve cross-cuffing, cross-service capabilities that no single program investment can mitigate, such as sub-components shared across the industrial commons of missile, space platforms, and trusted or trustworthy micro-electronics embedded in multiple programs. More specifically, radiation hardened electronics, focal plane array sensors, solid rocket motor design, and critical energetic materials are areas of high risk. We are making some very small investments in these areas, but additional investments would further reduce the risk. Additionally, budget uncertainty jeopardizes the success of the Long Range Research and Development Plan and other initiatives to advance technical dominance while reducing incentives for industry to adopt growth- versus income-oriented strategies.

IS THERE ANYTHING CONGRESS CAN DO TO BE HELPFUL TO MAKE SURE WE DON'T HAVE ANY MORE DEGRADATION AS FAR AS THE MANUFACTURING CAPABILITY OF THE INDUSTRIAL BASE?

I would ask for all members' continued strong support for the ongoing efforts, which focus on advancing technology innovation through two current investment strategies:

First, support our existing resource requests to mitigate fragile and critical industrial base capabilities including radiation hardened electronics, focal plane array sensors, solid rocket motor design, and critical energetic materials, through the Defense Production Act Title III program, the Manufacturing Technology program, the Industrial Base Analysis and Sustainment program, the Small Business Innovation Research/Small Business Technology Transfer Program, and the congressionally established Rapid Innovation Fund.

Second, continue supporting the Manufacturing Innovation Institutes (MIIs), which are part of the Federal Government's National Network for Manufacturing Innovation. MIIs consist of public-private partnerships focused on a particular technology area, such as additive manufacturing, integrated photonics, flexible hybrid electronics, digital manufacturing and design innovation, revolutionary fibers and textiles, and lightweight modern metals. The MIIs reduce barriers to rapid development and commercialization of advanced manufacturing processes, facilitate rapid prototyping, and promote workforce development in the field of manufacturing.

Continued congressional support for all of these critical programs will help the Department to position the defense industrial base for modernization in the coming years.

Mr. VISCLOSKEY. If you want to move on, go ahead.

Mr. FRELINGHUYSEN. Chairman Rogers, and then Mrs. Lowey has joined us.

Chairman Rogers.

CHINA

Mr. ROGERS. China. Developing, procuring aircraft carriers, submarines, amphibious assault capabilities, making territorial claims to shoals and reefs in the South and East China Seas, expanding them into islands of some size. By all accounts, China is positioning itself to exert more influence in the Pacific and trying to build itself into a maritime power. Meanwhile, they claim that they are being provoked by their neighbors and by the West, using it as

a justification to aggressively pursue their own interests with regard to territorial disputes in the East and South China Seas.

Mr. Secretary, what is your thinking now? Has your thought process evolved in light of these fairly recent developments on the importance China is placing on the development of a blue-water naval force?

Secretary CARTER. Mr. Chairman, first of all, I agree with your assessment completely. And our assessment has changed over time, not because we have changed our assessment, but because the facts have changed. China is doing exactly as you say. There was a time when the Chinese military was largely a land-based military, it was a military focused on defense of its own territory. Now it clearly has the aspiration to extend its sway in the Pacific.

And the United States policy there is, as it has been for 70 years, to remain the pivotal military power in the Asia Pacific. That is what our rebalance to the Asia Pacific is about, that is why we are making all the investments in high-end Naval warfare, undersea warfare, new kinds of weapons, new aircraft, Joint Strike Fighter, Long Range Strike Bomber, and so forth, in recognition of that.

With respect to the Chinese specifically and the South China Sea, the idea that we have provoked them into that. The reason that these activities are getting notice isn't because the United States is doing something new. We have been sailing in the South China Sea and will continue to sail wherever international law allows, for decades now. We are not doing anything new. The thing that is new is the Chinese—there are some other countries that do some of this, but nothing on the scale of China—exactly as you say, dredging and putting military equipment on.

That is having two effects. It is being reacted to in two ways. First is by us in our investments, and that is why when we talk about this being an inflection point in our budget, that is part of it, looking to the future, including China.

It is also having the effect of causing others in the region both to increase their own maritime defense activities and to align them with the United States, old allies like Japan, South Korea, Australia, the Philippines, and then new partners like Vietnam and India that are working with us increasingly.

So the Chinese behavior is having the effect of self-isolation, and it is also galvanizing others to take action against it. That is a change in the strategic aspect that China presents to the region. We are determined to do what the United States has done for 70 years, which is to keep a peaceful and stable environment.

That is the environment in which the Asian miracle has occurred. It has been because of the counterweight of the United States to what would otherwise be a region that has no NATO, no security structure. We have provided that for 70 years.

TAIWAN

Mr. ROGERS. Do these actions of China recently, does that threaten our ability to live up to our treaty obligations to Taiwan?

Secretary CARTER. Well, no. Our treaty obligations to Taiwan are very strong. We are constantly adjusting them. Obviously, the more the threat grows from China, the more we have to adjust both our operational approach and our technical approach. That is one of the

reasons why we are making these investments, is because of our commitment under the Taiwan Relations Act to the capabilities to defend Taiwan.

But I think, just to follow what you said, Mr. Chairman, earlier, China's activities have expanded to beyond Taiwan, which has been with us now for several decades, and they are looking to the South China Sea, the East China Sea, and so forth. So it is not just Taiwan anymore, but it certainly includes Taiwan.

Mr. ROGERS. General Dunford, could you address this subject, the threat that might be posed by the recent changes in China's activities in regard to blue-water capability and/or aircraft or land-based?

General DUNFORD. Chairman, I can. It is very clear to me that those capabilities that are being developed are intended to limit our ability to move into the Pacific or to operate freely within the Pacific, and we call that anti-access/area denial capability.

So their developments in antiship capability, anti-aircraft capability, then, as you describe, the blue-water navy, are clearly intended to limit our ability. That is why in this particular budget we have focused on capability development that allows us to maintain a competitive advantage versus China. It is also why we are fielding the most modern capabilities in the Department to the Pacific first. Things like the F-35, the F-22, and so forth, and other capabilities are going to the Pacific first.

So I absolutely share the concern that you have outlined, Chairman Rogers, and it is certainly something that for me in terms of joint capability development, it is a priority for us over the next five, seven, ten years, to ensure that the—you know, what Secretary Carter said is true, we are capable today of meeting our obligations in the Pacific. And there is no doubt in my mind that we have a competitive advantage over China today.

It is equally clear to me that on the trajectory that China is on today, were we to not maintain an investment profile as outlined in the current budget, we would lose our competitive advantage over time and find ourselves unable to adequately advance our interests in the Pacific.

Mr. ROGERS. Some people say that what China is doing in the region, as we have talked about here, is more to impress and perhaps intimidate their neighbors than it is to confront us. What do you say to that, Mr. Secretary?

Secretary CARTER. Well, it is both, because it is definitely intended to intimidate or dominate the neighbors, but it is also partly clearly strategically directed at us, because it is we who have provided the security structure in that region.

Now, you know, I am not one of these people who believes that conflict with China is inevitable. It is certainly not desirable. But it is we who have provided the environment of peace and stability there that has allowed China to develop freely and economically, and before them Japan, before them South Korea, before them Taiwan, before them Southeast Asia, now India and China. It is we who have provided that environment. Some Chinese understand that is actually a good thing. We are not out to keep China down. But we don't look for anybody to dominate the region and certainly not anybody to push the United States out.

We are a Pacific power, we are there to stay. It is where half of humanity lives, half of the world's economy, important part of the American future. We are there to stay.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Chairman.

Mrs. Lowey and then Ms. Granger.

BUDGET STABILITY

Mrs. LOWEY. Thank you, Mr. Chairman.

And welcome and thank you for your service, Secretary Carter, General Dunford, and Under Secretary McCord.

I know that there was some discussion before I arrived of the budget, but I would like to hear you say it again. What problems are created when Congress does not pass a spending bill by October 1? What does it do for your budget? And can you carry out the Department's mission within the amounts proposed in your fiscal year 2017 request?

Secretary CARTER. Thank you, Congresswoman.

We can carry out the mission, as we have said, with the budget that we have proposed, which we proposed at the level prescribed by the bipartisan budget agreement. The stability provided by that agreement is very important to us.

And to get to the first part of your question, when we have instability, what happens? Within the Department, we start to do things inefficiently, first of all, we begin to shorten the contract times, and so money is wasted, and we can't plan programs for the long run, there is program instability, which hurts the industrial base.

For our people, it is very bad for morale, both military and civilian. The people say: Hey, what is going on here? There is gridlock in Washington, we don't have a budget, the government is going to close down or sequester.

I don't think it is fair to our people. They look at their families, they are trying to plan their future, and they say: Is this an institution that I can plan a future with? We have an All-Volunteer Force. We have to have good people, and we need them to see a future with us.

And then finally, I worry about what it looks like around the world, our friends and foes alike who say: Jeez, can't you guys get it together here and have a budget for the long run?

So it is very deleterious just to have instability, and that is why I am so grateful to really you on this committee, among others, for coming together this year and putting together a bipartisan budget agreement. That is the basis on which we submitted our budget, and the stability provided to us is incredibly important.

And, Chairman, you may want to add on stability.

General DUNFORD. The one thing that I would say, Congresswoman, is, you know, as I look at the last several years, we have kind of lived year to year, and I would echo the Secretary's comments.

I am confident that we can meet our obligations today. I am equally confident that the bow wave of procurement that I alluded to in my opening remarks and the modernization that has been deferred over the last few years is a bill to be paid in the future. And as confident as I am about being able to say that we can meet our

requirements today, I am equally confident that were we to continue to do what we have been doing over the last few years, there is absolutely no way five or seven years from now we would have the same conversation about China that we just had with Chairman Rogers. It would be a fundamentally different conversation.

So that is where the piece about predictability and stability comes in, is you have to have a very coherent long-term view towards joint capability development. The living year to year, the uncertainty, the budgets that aren't complete, what that causes us to do, one, is be very inefficient with the taxpayers' dollars, because we make bad decisions in that kind of environment.

But more importantly, our focus continues to be on the near term, and we have got to be able to do two things at one time. We have got to meet our current operational requirements, but we have got to do the innovation and investments necessary to maintain our competitive advantage in the future. And achieving that balance requires a much different fiscal environment than the one that we have been operating in now for some three or four years.

But thanks for your question.

CYBERSECURITY

Mrs. LOWEY. Well, thank you. And I know, if it is up to Chairman Rogers and I, we will proceed with regular order.

But talking about competition and workforce, I would like to ask a question on cybersecurity. First of all, if you could please describe the primary risks faced by the Department of Defense in the cybersecurity realm. And the budget indicates that measures are taken to increase the capabilities of the Cyber Mission Force initiated in fiscal year 2013. If you could, describe the primary elements, and how does the budget request support your efforts in cybersecurity?

Secretary CARTER. Thanks for that. I will start with that and then, Chairman, you add.

Our highest priority—to get the first part of your question—our highest priority has to be defending our own networks, because our military networks are what stitches together the ingredients of our military and makes the whole greater than the sum of the parts. So all of our operations of ships, planes, tanks, people, troops, intelligence, and so forth, comes together in the network, and making sure those networks aren't penetrated or compromised is job one. We spend a lot of effort on that.

We also recognize that cyber can be a tool that we can use against our enemies. So, for example, right now—and I can't go into details in this setting but can with you separately—CYBERCOM is operating against ISIL, because these guys, you know, why should they be able to communicate? Why should they be using the Internet? These are people who are not part of the free, open culture that the Internet is supposed—this is evil and the Internet shouldn't be used for that purpose. We can do that under our authorities as part of our campaign against ISIL.

And the last thing, another priority for us, is we do help. We don't have the lead here, because there is Homeland Security and law enforcement and so forth. But if there are other kinds of attacks on the homeland potentially, we would assist in the defense of our homeland in cyberspace, as we do in everything else.

In terms of our investments, you are right, 133 Cyber Mission Force elements at CYBERCOM. That is just a piece of it, though, because the services all have cyber efforts, they are all tied up with the COCOMs, those cyber efforts are included in our operations plans. And we have an enormous investment in our IT systems, many tens of billions of dollars in our IT system, all of which is being modernized, put in the cloud so it can be better defended.

So there is an enormous investment, and we have increased it in this budget in recognition of the growing importance of cyber and our need, as the Chairman just said, to focus on the future.

Mr. FRELINGHUYSEN. General, briefly, because I know Ms. Granger would like to have——

General DUNFORD. Congresswoman, I will be very quick. First, with regard to the primary risk, and I would echo the Secretary, protecting our own warfighting capability is critical. But as much as you focus on the risk, every time we talk about risk in cyber, we ought to talk about opportunity as well, and we do have opportunities.

And so to your second question, about investment, the investments that we are making are across the range of our primary missions, one, to defend our own network, to support the defense of our Nation, as well as take advantage of offensive capabilities, to take the fight to the enemy. And the Secretary alluded to what we are currently attempting to do against ISIL, which we, obviously, wouldn't talk details in this particular venue, but the investments we are making.

The Secretary also talked about the Cyber Mission Force. So over the last few years, we did build those 133 teams. Our investments this year are focused on providing them with the tools and, frankly, the training facilities, which are unique in cyber world, but those are probably two of the other areas that I would highlight that we are trying to do, again, to enhance the effectiveness of the capabilities we have.

We will grow capacity over time, but this year's budget is focused on enhancing the capability of the cyber force that we have been building over the last few years.

Mrs. LOWEY. Thank, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mrs. Lowey.

Ms. Granger and then Mr. Israel.

FOREIGN MILITARY SALES

Ms. GRANGER. Thank you, Mr. General Dunford, Mr. Secretary for all the attention you are giving to keeping us safe, and there is nothing more important.

As we do that, we have partners that we are asking to play an increasing role in the fight against ISIS. My concern is the foreign military sales. The process is cumbersome and it is bogged down. For example, the congressional notification for the F-18s for Kuwait has been stalled in the executive branch since March of 2015.

This is just one example of the many concerns we have been hearing. In fact, the delays are driving our partners to turn elsewhere, including Russia and China, for assistance. That is not a good situation for us. The relationships are critical to U.S. national

security and they must be protected. Our current action and lack of action is risking our long-term strategic alliances.

I know this is not just a DOD issue, but, Mr. Secretary, you play a significant role in the process. What are you doing to try to expedite the requests from our partners, and what changes are being made to fix this problem?

Secretary CARTER. Well, I align myself completely with what you said. Our exports, defense exports, are a twofer. They help our industrial base, which in turn helps us, because when others make investments in our defense industrial base, those are investments in the base upon which we depend. When they buy aircraft that we are also buying, they make them less expensive for us. So it is all good. And you know from the Joint Strike Fighter and other aircraft how important that is.

And then the other thing is that it makes them stronger, and they are our friends. And we don't want to have to do everything ourselves, so we are trying to get other people to get in the game, not be free riders, help us fight the fights that need to be made, and they need the capability to do that.

And then the last thing I would say is you are absolutely right, if we don't give it to them, somebody else will give it to them, and that somebody else won't be what we want to have in there.

So for all those reasons, speeding up the approval process, you are right, it is too cumbersome, there are lots of people involved. It is something that I have been working on for a number of years, my predecessors did as well, and I talked to Secretary Kerry about and Secretary Pritzker as well. But this is an important, positive thing for American defense when we are able to arm our friends and allies so that we can help them help themselves.

Chairman.

General DUNFORD. Congresswoman, I would just echo that. I was in Kuwait on Monday, as a matter of fact, and met with the Minister of Defense and my counterpart, the Chief of Defense. From their perspective, great partner. Our presence in Kuwait has been critical to prosecute the current fight against ISIL. It has been critical for the last 2 decades-plus. And they are incredibly frustrated.

And I agree with Secretary Carter, those are the kinds of countries that we should be keeping close. They are valuable allies both in the fight and from a U.S. posture perspective. And we should look for ways to expedite the delivery of equipment, because they have and they will go elsewhere.

And we want to build interoperability, we want to build effective partnerships and allies, and one of the ways you do that is this commonality of equipment. And if they are going to buy Chinese UAVs or Chinese aircraft or missiles or those kinds of things, it makes it incredibly difficult for us then to put coalitions together in a circumstance like we find ourselves right now. And winning in the circumstance we are in right now, make no mistake about it, is going to require an effective coalition.

So I think it is a foundational element of us actually advancing our national security interests, is to make sure we have that interoperability and commonality of equipment. And in order to incentivize people to deal with us, we have got to make it easier.

Ms. GRANGER. We really do, and so anything that we can do from the Congress to help speed that up or make it smoother, please let us know, because we understand. I always go back to Egypt. And when they had the uprising in Egypt, you know, everything just shut down. There was no communication except military to military, because they were using our equipment and we trained their pilots. And so we kept that going and knew what was happening that way. And we really need to do everything we can to make it faster and smoother.

Thank you both very much.

Mr. FRELINGHUYSEN. Thank you, Ms. Granger.

Mr. Israel, then Judge Carter.

Mr. ISRAEL. Thank you, Mr. Chairman.

Mr. Secretary, General, welcome.

Before I ask my question, I want to, Mr. Secretary, commend you. I know you make many smart decisions. One of the smartest is the appointment of Steve Hedger as principal deputy assistant secretary. He began his career in my office as a legislative assistant for defense issues.

Secretary CARTER. Well, thank you for that, because I couldn't agree with you more. He is absolutely fantastic, and I rely on him completely and I am grateful for him.

PROFESSIONAL MILITARY EDUCATION

Mr. ISRAEL. And now we have embarrassed him thoroughly.

Mr. Secretary, a good part of the debate in this committee and the debate on the budget revolves around the issue of military hardware, platforms, technology, systems. I want to ask about the software, and by that I mean how we educate our officers, our troops, the intellectual talent that we need.

This is something I learned when I was on the HASC, and former Chairman Ike Skelton and I worked on professional military education. And I also learned it firsthand during a visit to Iraq when I was speaking with General Odierno and I asked him: What do you need? What kind of deficiencies do you have? And he went through a variety of issues, and then he said: You know what, Congressman, I think we could use some more cultural anthropologists. He said: You know, we need situational awareness, but situational awareness also includes an awareness of culture, an awareness of linguistics, you have got to know, when you are kicking in a door, who is behind the door.

And so I would like you to comment, Mr. Secretary, and then I will have a question for General Dunford, I would like for you to comment on, are we doing enough to invest in that software? And are some of the challenges that we are just too busy to learn? Are the challenges that our budgets just don't allow us to make those investments? And what more can we do on those professional military education obligations that we have?

Secretary CARTER. Thank you, Congressman. While we are acknowledging people who have done a tremendous amount for our country, I would like to acknowledge you also for your service in this body and to the country and your loyalty to the Department of Defense. Thanks.

You are on one of the subjects that the Chairman and, I think, feel most passionately about, it is a critical part of the force of the future, and that is professional military education or the continuing development of our people. We need to get the best, which is why recruiting is so important, but once we get them, we need to develop them in the course of their career, because the world changes, technology changes, the skills they need change. And in order to retain them, they need to feel continually like they are building their skill set, and that is crucial.

And when you talk to young folks, and I do all the time, and say, "What does it take to keep you? What would make you leave? What do you talk about when you go home and you sit around the dinner table and try to decide whether you are going to stay or not? What do you talk about?" and there are lots of things they talk about, and we try to account for all of them, but a big one always is: Well, am I growing?

And one of the things that is part of society today that wasn't so much in the past is companies recognize that, a lot of people recognize that their education didn't end when they were kids. You have to educate yourself your whole life, because you need to keep up, otherwise the world is going to pass you by. That is true everywhere in our economy, you see people trying to do that. But it is critical for our military, both to keep their skills sharp and to make them motivated to stay.

And a concern I have and one of the things we are addressing in this budget, and it is not a lot of money, it is really attention, is this. Every time there is a little shave in the budget or turbulence—I was asked earlier about consequences of turbulence, where you go in and you grab money where you quickly can because all of a sudden you have to grab money, which is a bad way of managing yourself—when we have to do that kind of thing, one of the things you grab is professional military education funding, fellowships and so forth. That is pennywise and pound foolish, and it is an example of the near term killing the far term.

So I think you are absolutely right. I like the word "software." And I will stop at that point and see if the Chairman wants to add anything.

Mr. ISRAEL. Actually, General, if you would elaborate on that in the time I have left. And may I also ask you to comment on something I know you have worked on, and that is the value of mindfulness in helping to shape sharper and better minds in the military.

General DUNFORD. I will, Congressman. I will start with the mindfulness question.

I became aware of mindfulness about 6 years ago when I was commanding out on the West Coast the 1st Marine Expeditionary Force, and we were looking for ways to enhance the resilience of our marines and sailors at the time. And I got a briefing from a Dr. Liz Stanley at the time, who made it clear to me that mindfulness will help us in terms of enhancing resiliency of the force, mitigating the consequences of things like post-traumatic stress, but more importantly, enhancing the ability of people to deal with the challenges and focus on the challenges they confront at a particular time.

So I think there is a lot to that, and we have continued to work that over the last few years, and I think there is a lot of promise to enhance the capabilities of the force with mindfulness training.

Mr. ISRAEL. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you.

Judge Carter and then Mr. Ruppertsberger.

EUROPEAN REASSURANCE INITIATIVE

Mr. CARTER. Thank you, Mr. Chairman.

And welcome. We thank you for all you do for our Nation. You are an important part of keeping us safe, and I am proud to know.

Secretary Carter, as you well know, only five of our NATO allies meet their obligations on defense spending, with one of them being Greece, who backed in the wrong way. A strong and stable Europe is, of course, a vital national security interest of ours, but even more importantly, of the European citizens.

With the European Reassurance Initiative funding in fiscal year 2017 quadrupling, what concrete steps are you taking or can we take to force Europe to reassure themselves, and how can we better incentivize European countries to contribute more to their own safety?

Could you take us through the decisionmaking that was involved in deciding to implement a rotational ABCT as opposed to a permanently stationed ABCT? Wouldn't an enduring unit encourage critical strategic partnership with allied nations' armed forces and provide a greater institutional knowledge and mission capability as compared with the rotational force?

Secretary CARTER. Thank you, Congressman. And you are right, the Europeans need to do more, in general. And I am now in a long string of Secretaries of Defense who have decried the decline in European defense spending. It is not uniform. There are countries that are increasing their levels. Particularly, I would just single out the United Kingdom as one. And, of course, our allies around the world, like Japan, Australia, and so forth, are all doing more, and so they are getting stronger. But in general, Europe is under-invested.

And our European Reassurance Initiative, our plans there are to work with them to defend them. To do that, we need their participation and assistance and their own capabilities.

ERI puts some equipment there permanently, but you are right, our approach to force, to increased force presence there is rotational presence, persistent rotational presence, rather than permanent presence. And you say, why? And the reason is two-fold. One is that we don't think it is practical for us to get support for increasing more overseas basing in Europe. The pressure on us has been in just the other direction, and we have been doing less in Europe; continuing to have a strong defense of Europe, but have fewer forces positioned in Europe.

We think we can do the mission—we know we can do the mission rotationally in a better way in the following sense, and I will let the Chairman elaborate on this. But I know if you spoke to the Chief of Staff of the Army and the Acting Secretary of the Army about this, this is what they have told me. They actually prefer the persistent rotational presence, because it is better for readiness.

These guys who go over there, and I have met with them, I have visited our guys in Europe, in Grafenwoehr and Estonia and so forth, and they say we are much more ready now as a consequence of our being here, we know the environment, we are at a high state of readiness. So it is good training for them to rotate. Then they go back home.

If they were there all the time and the people back home never got to go to Europe, the readiness for Europe wouldn't be as high. So the Army believes that by rotating different units through Europe, you increase the proficiency and, therefore, the punch of the ERI.

Let me ask the Chairman to elaborate.

General DUNFORD. Congressman, I view rotational forces as a way to meet an enduring requirement as opposed to seeing them as separate. And I have spent the majority of my career in a service that used the rotational method to meet its requirements. So multiple tours in Okinawa, for example, where we meet the majority of our requirements.

I couldn't agree more with the Secretary of the Army and the Chief of Staff of the Army. My experience is that using a rotational basis to put forces in Europe will actually ensure that they maintain readiness and it will give them a breadth of experience that they might not otherwise have were they just permanently in Europe.

So I think, frankly, it is a good way to meet our requirements. And, again, I don't view it as either enduring or rotational. I view rotational forces as a way to meet an enduring commitment.

Mr. CARTER. Well, for a moment expanding on the European participation, how effective is European participation if their rules of engagement are strictly defensive, which is what we have experienced in some of the theaters when they participate? And you say you are still challenging them, but in reality, we have got to have people that fight.

General DUNFORD. Congressman, I had the privilege of commanding, you know, all the NATO nations in the ISAF mission. We had 50 members of the coalition. And I will tell you, there are some exceptions. But that issue of caveats in rules of engagement, we overcame that in Afghanistan probably back in 2011 and 2012. And we have some incredibly effective partners, and over time, they were able to accomplish the mission and operate within the same ROE that we do, and my expectation is that they will do that in the future.

There are certainly alongside of us today, we don't have NATO in Iraq, for example, in Syria, but we have NATO nations there, and almost anywhere we are, we have either members of the NATO alliance or NATO itself. And I, frankly, think that we can work through those things, and we have in the past. It is a political issue, but once there is commitment and will to the mission, the forces are more than capable enough to be shoulder to shoulder with us and make an invaluable contribution, and I believe that as a commander.

Mr. FRELINGHUYSEN. Thank you, Judge Carter. It is a critical issue.

Mr. Ruppertsberger, then Mr. Crenshaw.

CYBER COMMAND

Mr. RUPPERSBERGER. Yes. First thing, Mr. Secretary, General, I think right now the job that you are doing, we are in a good position as far as protecting our country.

With that said, we know a lot about cyber, we know it is one of the biggest threats that we face, we know that it affects our business, our communities, our combatant commands wherever we are, and we have got a lot of work to do there.

In that regard, because of the fact that we need to deal and focus on cyber, one, I personally believe that we need to take Cyber Command and make it into a fully functional combatant command. And I would say this too, I happen to represent NSA in my district in Fort Meade in that area. Are you considering that? If you are, do you have any timeframe?

And also, we need to focus on the budget issue.

And then if I do have time, I want to follow up one question on what Judge Carter was saying about Russia.

Secretary CARTER. Thank you, Congressman.

With respect to CYBERCOM, yes, we have considered and continue to consider various ways of improving our managerial approach and our command approach for cyber. CYBERCOM is a very effective organization. It is a growing organization, so we are going to have to see where it goes. And as you know, it is now a subunified command to STRATCOM. That is an arrangement that works now, but it is not necessarily optimal, which is why we are looking at it.

We do have a reluctance about adding new headquarters staff, because one of the things that we are doing in this budget is cutting headquarters staff, and so we need to be careful about that. But whichever way that turns out, the command structure, CYBERCOM has an important future.

And you mentioned NSA. It is important to me that CYBERCOM and NSA are in the same place, and the reason is very simple.

Mr. RUPPERSBERGER. And I agree with that too.

Secretary CARTER. Skilled cyber people, and this gets back to some of the earlier questions, they are hard to find. Cyber is partly a money issue for us, but it is not really a money issue, it is a people issue, and finding good people is critical. Having NSA next to CYBERCOM means that they can interchange talent and draw on one another. That is a huge strength for both of them.

So the fact that Admiral Rogers wears both hats, Director of NSA and CYBERCOM, that is a critical advantage right now. There may come a time when we have enough people that we can do something different, but for now, I would not recommend that separation. But it is people, that is the long pull.

RUSSIA

Mr. RUPPERSBERGER. If I have time, I do also want to get in a question about Russia. I was in Russia this November about the Syria issue, and then we then went to Estonia and Latvia. And there is a great concern, in talking with representatives from other countries in the European area, Poland and Romania, there is a great concern: Will the United States stand behind them if the ag-

gression of Putin continues to go on, especially in those border states?

They are concerned. I think the fact that we are going to put about 4,000 or 5,000 troops in that area will help them. But I think we have to let them know and let the world know and let Putin know we are the strongest military in the world, and we need people to know that.

And I am wondering if there are any strategies that we might even consider. You don't want to escalate, but you also want to stand up and show that you are strong, and you need to get the morale of these countries. Putting troops on the border, if that is the case. I am not saying to do that, that is your call as far as the military. But I think we need to show that we are strong, that we are not going to tolerate the aggression of Russia, and especially with our allies that are right on the border.

Secretary CARTER. I will start first, then the Chairman.

The reason why we are quadrupling the ERI is precisely for the reason you say: to signal the determination of the United States and NATO to defend NATO territory. We do that with activity sets, which are these equipment sets that move around, we do it with rotational presence, we do it with the permanent presence that we have there in Europe, we do it with exercises and so forth.

And Russia should know that what they see there in Europe on a daily basis isn't what we would use to defend Europe. They would get the whole weight of the American military behind the defense of Europe. And we have plans to do that, that is what I was alluding to earlier, for the defense of our NATO territory in concert with them, and we would do it with the full weight of the United States, as has always been the case in the defense of Europe.

It is going to be a different kind of thing than it was back in the days of the Fulda Gap. And I emphasize that. We call it the new playbook, because it is not just territorial, it is little green men, what we call hybrid warfare. I am sure you heard about that in your travels. It is the other kinds of things, the kinds of things you saw in Crimea and Ukraine.

So it is a different kind of threat, but it is exactly what we have to plan for in order to show strength, but most importantly be strong in defense of our NATO allies.

Mr. FRELINGHUYSEN. Very briefly.

General DUNFORD. Congressman, very quickly. The Secretary mentioned exercises, and you asked the question specifically about were we to posture forces on the border, would that make a difference.

I would just say that what the European Reassurance Initiative does in terms of increasing exercises is two things. One is it helps us develop interoperability with our NATO partners. So that is important.

But the exercises that General Breedlove designs are designed to send a clear and unmistakable message of our commitment to Europe as well, our commitment to Article 5 of the NATO alliance, and as importantly, a clear demonstration to Russia that if Russia faces NATO, they face the full weight of the military capability of

28 nations, the full economy of 28 nations, and the full political will of 28 nations.

And, quite frankly, if you put all that together, that is a pretty overwhelming challenge for the Russians. And our exercises are designed to make sure one part of that is clear, that we can bring the full weight of the military capability of 28 nations to bear in the event of a contingency.

Mr. FRELINGHUYSEN. Okay. Thank you. Non-NATO ally support for Ukraine would be appreciated, I know, by the Ukrainians. They are still waiting.

Mr. Crenshaw and then Ms. McCollum.

LITTORAL COMBAT SHIP

Mr. CRENSHAW. Thank you, Mr. Chairman.

And thank you all for your service and service to our men and women in uniform.

Secretary Carter, you pretty well laid out all the diverse threats that we face. I can't think of a time where we have faced any more on near-term, short-term, or long-term basis, and we are facing them at a time of shrinking budgets.

And this subcommittee, I think, has a role to play. Some of us have served under different Presidents and different Secretaries of Defense, and I think we all bring a unique perspective.

And I want to, Mr. Secretary, have a brief discussion with you about your decision to end the Littoral Combat Ship program at 40.

If you look at that program, you can see that it was set up to be a 52-ship program. And the reason I say it is your decision is because there was a memo that you wrote to the Secretary of the Navy, it was reported in the press, and it talked about the fact that maybe some of the lethality wasn't there. It was almost like, I guess, where the report said that maybe the Navy spends too much money on ships and not enough money on some of the other platforms, like the E-2D Hawkeye or the P-8 or the F-18. And I happen to be a big supporter of all those programs. But I just am not sure it is correct to justify them comparing them to other programs.

And when I read that memo and I talk to other members, senior members of the Department of Defense, it seems like there is this question of, well, maybe the Littoral Combat Ship is more of a presence ship, like a patrol boat or frigate, it is there to kind of show our presence, but maybe it doesn't have the kind of high-tech capabilities in this new world to really deal with China, deal with Russia, deal with Iran.

And so I guess my concern is, that is one opinion. You read articles about how important the LCS can be, you talk to some of the folks who have been on them over in the Asia Pacific, and they would tell you, you almost need those kind of ships to defeat some of the folks over there.

So I guess my question is, is if the Navy says we need 52, that was their estimate and they reiterated that after they did a year-long study that we actually asked them to do, and then your decision is they need 40, I guess the question becomes, how does that requirement change so quickly and will we get to see an analysis that went into your decision?

In other words, do you really believe we need less Littoral Combat Ships or do you believe we need to spend more money in other areas? Bottom line, is that a decision based on long-term national security or is that a decision based on a short-term budget?

Secretary CARTER. It is a decision based on long-term security, and I will explain the decision. Let me just say something. The Littoral Combat Ship is a successful program, it is an excellent ship, and it will be much better than the mine-countermeasure ships, the coastal patrol craft, and so forth, that it replaces. And these are critical capabilities.

And in general in shipbuilding, this budget makes a huge investment in shipbuilding, new DDGs, new *Virginia*-class submarines, aircraft carriers, overhaul and maintenance of aircraft carriers, amphibious ships, the first *Ohio*-class replacement submarines. So there is an enormous amount in—oh, I should add also the added Virginia Payload Modules for the submarine program. So there is a lot that goes into shipbuilding.

And our ships, the number of ships of the U.S. Navy is actually increasing. It is going to go to 308 from about 280 today. So we are going to have a bigger Navy, not a smaller Navy. That is our plan and that is in the budget in front of you, a Navy that gets larger.

But to the question of the Littoral Combat Ship, the Navy's warfighting analysis concluded 40 of them were enough, and, yes, we did want to apply resources elsewhere, to the lethality of our ships. That is critically important, that we not only have enough ships and more ships, which we are going to have, but that they are the very best.

That is why we are investing in combat systems, that is why we are investing in all the new missiles and weapons that I talked about. We have a new lightweight torpedo, a new heavyweight torpedo program, various antiship missiles, including the new capability for the SM-6 missile, surface-to-air missiles, all the stuff that makes our Navy the most lethal, in the face of China, Russia, Iran, others who are trying to have that capability.

So there is some balancing that needs to be done between high-end and very important lower-end ships, like the Littoral Combat Ship. There is nothing wrong with—I just want to be clear—there is nothing wrong with the Littoral Combat Ship. We like it. Our plan is not to buy 52, but to buy 40. But that doesn't mean there is anything wrong with the program. It has been very successful and it is needed in those numbers.

Mr. CRENSHAW. Thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you.

Ms. McCollum and then Mr. Graves, the gentleman from Georgia.

Ms. MCCOLLUM. Thank you, Mr. Chairman.

Thank you, Gentlemen.

Mr. Secretary and General Dunford, the 2017 funds that this committee appropriates for the defense budget will be available to support the policies and the programs of the next President, the next President the American people elect in November.

A leading candidate for president is telling the American people and the world that torture works. He says he will use torture to

help defeat ISIL, including things way beyond waterboarding. He says he will order our military to take out the families of Islamic terrorists. I presume that means directing the Secretary of Defense and the Chairman of the Joint Chiefs of Staff to use men and women under your military command to intentionally kill innocent family members, including children, that might be suspected terrorists.

I find these rants frightening and dangerous to our Nation.

General Dunford, do you support allowing U.S. troops or the intelligence community to use torture to exact information from suspected terrorists? Does the use of torture advance the military or national interests of the United States?

Secretary CARTER. Congresswoman, before the Chairman answers your question, I really need to say something, and the question is a fair question. I want to say something about the framing of it that I believe in very strongly, however.

Ms. MCCOLLUM. Please, sir.

Secretary CARTER. Which is, this is an election year. We will have a new President. I recognize that. I feel very strongly that our Department needs to stand apart from the electoral season. So I respectfully decline to answer any questions that arise from the political debate going on. I just don't think that is appropriate. And I want General Dunford especially, even more so than me, not to be involved in political debates.

So I think if you address the general question of how we try to conduct ourselves as a military in the air in Syria—you were a commander in Afghanistan—that is fine, but with great respect, I just want to—

Mr. FRELINGHUYSEN. We respect your decision.

MILITARY ETHICS

Ms. MCCOLLUM. Well, we had discussions on the political nature of Guantanamo and President Obama. Will you just make a blanket statement, then, as to the military's role of the use of torture? Because we have had a lot of hearings on this. This caused a lot of angst in this Congress. We went through one administration that used it and, as far as I know, we are working to stop and ban the use of torture, because it does not serve our national interests.

General DUNFORD. Congresswoman, let me answer the question broadly without getting into what Secretary Carter highlighted.

One of the things that makes me proud to wear this uniform is that we represent the values of the American people. And when our young men and women go to war, they go with our values. And I think our performance on the battlefield over the past decade-plus of war reflects that young men and women from this country bring their values with them. And when we find exceptions, you can see how aggressively we pursue addressing those exceptions.

I guess what I would say in response to your question is we should never apologize for going to war with the values of the American people. That is what we have done historically, that is what we expect to do in the future, and, again, that is what makes me proud to wear this uniform.

Ms. MCCOLLUM. Well, Mr. Chairman, I am assuming the values of the American people do not include torture. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. I agree with you. I agree with the General's statement as well.

Mr. Graves and then Ms. Kaptur. Thank you, both of you, for your—everybody, for their patience.

JSTARS RECAPITALIZATION

Mr. GRAVES. Thank you, Mr. Secretary.

I am very concerned with the timeline and the funding reduction included in this year's budget for the JSTARS recap, and wanted to discuss that for a few minutes.

The timeline for IOC has gone from 2022 to 2023 to 2024, and as a result, the existing JSTARS fleet's life-cycle costs are just going to go through the roof. Every year the Air Force defers recapitalization they are missing out on \$100 million or more in reduced operations and maintenance cost.

Secondly, the current E-8 aircraft are reaching the end of their service life and they will require waivers and additional funds to maintain themselves. This will likely lead to a lengthy capabilities gap, depriving warfighters of the GMTI in battle management. And recently half the fleet was in depot maintenance. This all but ensures that there will be a huge capability gap in the 2020 time-frame before a replacement aircraft would even be ready right now.

So now we are being told that there is need for more tech maturation. This is completely at odds with the plan that we have heard from the Air Force over the last four years. They have repeatedly said that the recap will involve mature technology and that the recap will be only an integration effort.

Can you just help us understand and maybe explain why this year's budget includes additional delays which result in additional expenses and some gaps in capability?

Secretary CARTER. I can. I will describe the acquisition strategy.

First of all, you are absolutely right, and the Air Force does have a continuing requirement for a Ground Moving Target Indicator, GMTI, radars of the kind JSTARS is. JSTARS is a fleet of sixteen 707-based aircraft now. They have been around for a long time. They have to be recapitalized, because we need that capability.

And you don't need as big physically a radar anymore. Radars have gotten smaller. We flew a bunch of them, and General Dunford's forces flew them in Afghanistan, and we have flown them elsewhere.

And so the Air Force is committed and our budget does lay in the funds for a JSTARS recap. They have not chosen—they want to do a competitive source selection for that, both for the radar and the integration with the airframe. So they haven't picked a winner of that yet. They have announced that competition for a JSTARS replacement and put in money, I think it is somewhere between \$2 and \$3 billion in this five-year defense plan to begin the recapitalization.

So that is the acquisition strategy. We can get you more detail on that. But I think the thing I can say as Secretary of Defense is we are committed to that capability. We have to recapitalize the

JSTARS, because as you note, it is an airframe now that is decades old and we just can't keep flying it. We need the capability.

Mr. GRAVES. Thank you, Mr. Secretary. And you are absolutely right. It is a very old platform, but a very needed platform today. And my understanding in some of the briefings I have been in is that in not-too-distant time from now half of the fleet will be at its full life cycle, 100 percent-plus of its life cycle, and we still don't seem to be on a timeline that would fill that gap.

And I think we have had tremendous support on this committee for this program and for advancing it and moving it as swiftly as possible because of our deep concern for our troops and the capabilities that they have in the field. So any additional support or hurriedness on this would be greatly appreciated.

Mr. FRELINGHUYSEN. Thank you, Mr. Graves.

Ms. Kaptur and then Mr. Calvert.

RUSSIAN PROPAGANDA

Ms. KAPTUR. Thank you very much.

Mr. Secretary, General Dunford, thank you for your service to our country. I will ask my questions quickly and you can use the time remaining to answer them, if you could, please. And the four topics will be Russian propaganda, ISIL's growth, the State Partnership Program, and survivor benefits.

On Russian propaganda, I read, General Dunford, your statement in the testimony: "The Russian military presents the greatest challenge to U.S. interests." I agree. I want to express my own deep concern about Russia's well-funded and organized propaganda war in Ukraine, the Baltics, Europe, and even here in the West. And I observe the West's approach to confront that force of hybrid warfare is fragmented and underfunded.

Can you respond, potentially review what is being done across various departments, design a strategy to counter Russia in their efforts, including assigning a lead in the administration to this task, working with our allies?

STATE PARTNERSHIP PROGRAM

Number two, on the State Partnership Program, I think it is one of the most effective tools in working with our European allies to meet the challenge we face in Europe. Ohio, for example, our Guard has a relationship ongoing with Hungary and Serbia, California with Ukraine, Illinois with Poland. What does the budget do to facilitate this growing capability that is essential, really, to carrying out our activities in that realm?

Thirdly, describe the development and size of ISIL as a terrorist force and the motivation for what seems to be drawing additional adherents. And I would appreciate for the record what is DOD's view of victory in Syria.

[The information follows:]

DoD's view of victory in Syria is a peaceful and stabilizing political settlement, established and effective governance, and the complete defeat of ISIL to include the denial of Syria as a safe haven to train and operate from.

SURVIVOR BENEFITS

Ms. KAPTUR. And finally, on the matter of survivor benefits, I was recently contacted by a veteran constituent with three children who is an Afghanistan veteran herself at the E7 level and has PTS, she is a Gold Star wife due to the death of her husband in Iraq in 2004. Under current law, a required offset in payments between her dependency and indemnity compensation and her survivor benefit plan annuities prohibits her from receiving the full amount of both. For the record, let me also state five percent of military widows remarry, 95 percent of widowers do.

For women with children, it just seems to me there ought to be something going on at DOD that would help those who have so nobly served our Nation. So I wanted to put that on the record. And if you can't fully answer it here, I appreciate it in your written reply.

[The information follows:]

The Department has consistently opposed proposals to eliminate the offset between Survivor Benefit Plan (SBP) annuities and Dependency and Indemnity Compensation (DIC) at government expense for the following reasons:

- *Duplication of benefits:* Both entitlements are paid by separate departments for the purpose of providing a continuing annuity to the survivors of military members or former members. Both benefits are subsidized by the federal government.
- *Death on active duty enhancement:* The SBP annuity of a surviving spouse whose sponsor dies on active duty may be assigned to a child or children, permitting the spouse to receive both SBP and DIC without offset during a child's dependent schooling years, additionally these survivors are entitled to a social security annuity for survivors.
- *Complementary programs:* DIC is a flat \$1,254 per month, plus \$311 for each dependent child (2016). SBP is 55 percent of an elected base amount not to exceed retired pay. The existing entitlement, with offset, ensures that survivors receive the higher value. This sets DIC as a floor for more junior members while allowing more senior members the potential of a larger SBP amount with all the benefits from the tax free aspect of DIC.
- *Equity:* Allowing concurrent receipt of SBP and DIC without offset would create a group of survivors receiving two government-subsidized survivor annuities. Survivors of most military retirees and survivors of veterans who did not serve to retirement would receive only one.
- *High cost:* Eliminating the SBP offset for all survivors entitled to DIC would cost the Military Retirement Fund more than \$7 billion over 10 years.

Ms. KAPTUR. So first on the Russian propaganda issue.

Secretary CARTER. Thank you very much, Congresswoman. And I will start on the Russian propaganda thing.

It is related to hybrid warfare. Russia has bought media in the West, no question about it, you can turn it on in your own living room, and sometimes that contains what I have called the big lie. Our principal response to that as a country and as the West is the truth, but we have to watch the effect of that, and the State Department does that, the intelligence community does that, and others.

But for our part, you asked us, it is related to hybrid warfare. And earlier we were discussing the European Reassurance Initiative and its parts, and we were talking about territorial defense, which is important. But another critical part of the ERI is hardening the states of Europe to essentially subversion, which is hybrid warfare shades into subversion, hardening them by helping them to defend themselves from cyber manipulation and from other

kinds of insidious influences that we saw precede the Russian actions in Crimea and Ukraine.

So we are trying to learn from that. That is exactly what hybrid warfare means. That is why hybrid warfare is part of the new play-book, as I call it, for NATO. It is not like your NATO was long ago, in the Fulda Gap, which was a more conventional kind of conflict. We have to expect a more unconventional kind of conflict, and that is exactly what the Chairman and I and General Breedlove think about and plan for when it comes to Europe.

I will stop there except just, one, if I may, put in a plug for the State Partnership Program with you. We get huge value out of these State Partnership Programs.

Ms. KAPTUR. Huge. Huge.

Secretary CARTER. And we fund them. And their people are very enthusiastic. The countries tell me all the time how much they love the State that is their partner. It is a great way of tying America to others and complementing what the Defense Department does institutionally. They are great programs and I appreciate you support for them.

Ms. KAPTUR. I hope, Mr. Secretary, with that endorsement, that you will find ways to broaden it, to fully utilize it, particularly in those places which are so much at risk right now.

And on the propaganda front, I really hope in your position you can lead an administration effort to be a little more coordinated, not just DOD, but we need a strategy to totally combat the propaganda that is flooding nations like Ukraine. It is not in our interest, it is not in liberty's interest to have this continue without an equal response, and the West's response is very anemic compared to what is coming out of the Russian.

Mr. FRELINGHUYSEN. Let me commend Ms. Kaptur for her persistence on this issue. And while you are aiming it to Russian propaganda, we might come up with a game plan for ISIS and the Islamic State as well.

Mr. Calvert, and Mr. Ryan after.

CHINA

Mr. CALVERT. Thank you, Mr. Chairman.

Secretary Carter, General Dunford, Mr. McCord, thank you for being here, thank you for your service to our country. We certainly appreciate it.

I want to expand on Chairman Rogers' questions regarding China. And, obviously, China's been closing the technology gap between our countries. Its military until recent history, as you mentioned, historically was focused internally with their primary mission to protect the Communist Party and the existing government within their country. Until recent history, they have been interested in projecting military power just in their own region.

I would argue that we win wars not just because we are just the best trained and most proficient, because we are very good at large-scale strategic operational and tactical logistics, supply, maintenance procedures, and practices, we are good at getting our people and our equipment anywhere on the globe in a timely manner and have the decades of conflict experience through the world and in prepping and executing these combat service support functions.

China is new to this. China is new to power projection. I question their ability to conduct these functions effectively in fighting the conflict beyond their shores. You can have the largest military in the world, but if you can't feed or supply them after three days, they become worthless.

Can you comment on China's ability to effectively project warfighting power beyond its shores, but especially with regard to their ability to conduct effective logistics, supply, maintenance, operations, external to China? I don't think we have put a lot of thought into that.

General DUNFORD. Congressman, thanks for the question.

First of all, I agree with you that our logistics capability is one of our competitive advantages. I also agree that from a power projection perspective, the Chinese capability is relatively immature.

However, if we are talking about within the Pacific, they do have one advantage, which is interior lines. In other words, from a geographical perspective, if we talk about a conflict in the South China Sea, if we talk about a conflict in the East China Sea, in Taiwan, and those areas, their logistics challenge is significantly less than the challenge that we would have as we project power to places like the Middle East or to the Pacific.

I do see, you know, from my own personal experience, when you talk about putting equipment at sea, when you talk about employing sea-based capabilities, when you talk about logistics over long distances, that takes many, many years. We have maritime preposition ships. I was around in the early days of maritime preposition ships, and when you put equipment aboard a ship, 6 months later try to take it off a ship, and all the fuel had turned to sludge. And so we had to learn how to do that, to make sure that the level of maintenance and readiness was what it is today. That was a discovery learning process that, frankly, took many, many years to develop that.

So I would agree with the thesis that the Chinese have a long way to go in terms of developing power projection. I guess what I would say is that if you look at the investments that they are making, the attention they are paying to it, the reorganization they did is a recognition in part of the comment you made, they are just now recently—they are looking at our capabilities in terms of jointness and integration, a piece of which is our logistics capability, and they have just made some major reorganization inside the Chinese military, which I think is in part to mitigate the challenges that you have identified and that they know exist.

So do I think they have a legitimate power-projection capability today? No. Do I see forces deployed to places like Djibouti, do I see the maritime development that you mentioned, do I see the aviation capabilities developing? Yes.

And so I think it is fair, from my perspective, you know, I don't look at intent, I look at capability and I look at the trajectory the Chinese are on, and I think it is fair to say at some point in the future, were they to continue to emphasize power projection, continue to make the investments that they are making right now, that they will develop a power-projection capability. But I would agree with you, I think that is some time away.

But, again, in the near term, what they are developing would provide them a capability that probably is much easier to attain, and that is the capability with interior lines in a Pacific scenario to project power in one of those scenarios that I mentioned.

Mr. CALVERT. Thank you.

Mr. FRELINGHUYSEN. Thank you.

Mr. Ryan and then Mr. Womack.

Mr. RYAN. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

HEALTHY BASE INITIATIVE

Mr. Chairman, thank you for being here.

And one of the issues—the issue we talk about here—the budget, money, how are we going to free up money, and I know we have a lot of priorities. And the challenges we face today are, I think, unlike we have ever had to as far as dealing with these global challenges, the technology, making sure the third offset, all these new investments that we have to make.

So we have got to be very smart in how we try to free up money. And I know that we have been spending since 2001 a good deal more money on health care. And so one of the issues I want to ask you about just briefly and put a plug in for, when we look at rates of diabetes and blood pressure and all these things that are causing us to spend a lot of money in the healthcare system, military healthcare system, I want to talk to you about the Healthy Base Initiative, what kind of food we have coming in, what kind of nutrition that we are giving these elite warriors.

And we know that a lot of these issues are caused, they are diet related, and I think it would be smart for us to take a holistic approach here and just say, hey, if we know we start feeding our soldiers, airmen, and the rest healthy food, that a lot of these problems can be avoided, which frees up money for us put into the third offset and some of these other things.

So you don't have to necessarily comment, maybe comment for the record, on the Healthy Base Initiative and what we can do to make sure we start driving down some of these healthcare costs to free up money for some of these other things.

I know Mr. Visclosky mentioned the defense industrial base issue. Youngstown, Ohio, is home to America Makes, which is the Additive Manufacturing Institute. It is doing a phenomenal job and, I think, can transform manufacturing. So I want to make sure we robustly support these institutes as we move forward into the future.

And then, just to touch base quickly on what Mr. Israel said on the idea of these kind of mind fitness training, again, mind, body, health, how we prepare these men and women to function at the highest level possible and using the most cost-effective ways to do it.

I know that you mentioned Liz Stanley, Mr. Chairman. I know she is not doing any more work within the military now, and I would just like to say we need to reconsider that, and I think not just offer it, but ramp it up, because I think that would be a huge opportunity for us to reduce some of the suicide and increase performance.

C-130J

Lastly, and a question. In Youngstown, at our air base there, we have the only Aerial Spray Unit. And we are now dealing with the global Zika issue, and I see we are reducing our C-130J request by three. And I just wonder, can you touch upon the Zika issue, keeping our troops safe around the world, making sure that we have the capacity to address this issue? And also will the reduction of C-130Js affect our ability within the Aerial Spray Unit and others to combat this global problem?

You have a minute and a half to kind of deal with all that.

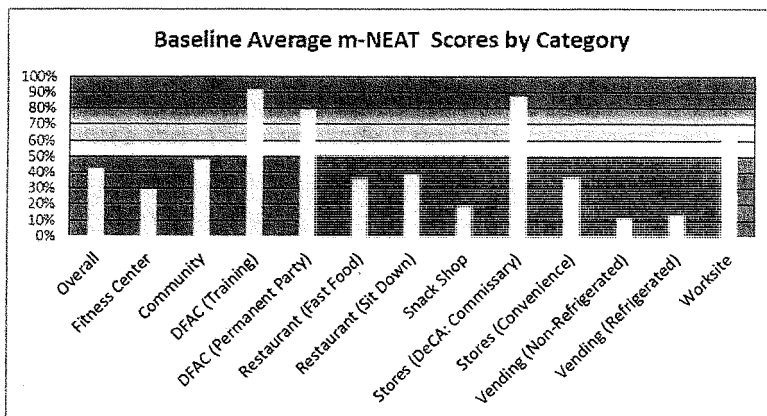
Mr. FRELINGHUYSEN. See if you can do it.

Secretary CARTER. I will be very brief, and we will get back to you on the Healthy Base Initiative.

[The information follows:]

The Department of Defense (DoD) is concerned with the rising health care costs associated with obesity and tobacco related illnesses. In 2012, the DoD established the Healthy Base Initiative (HBI) Demonstration Project which took a holistic approach in creating an environment and culture that encourages good nutrition, active lifestyles, and tobacco-free living. Simply put, the DoD is trying to make the healthy choice, the easy choice.

In an effort to encourage good nutrition, HBI used the military Nutrition Environment Assessment Tool, or m-NEAT, to assess the environment at food locations. The below chart indicates the DoD is providing the healthiest food options in Dining Facilities and Commissaries; however, Exchange operations, vending machines and snack shops are lagging.



Based on the initial m-NEAT assessment, and in conjunction with the Installation Commanders, the HBI Team implemented a variety of initiatives addressing the food environment which include:

Food preparation – The HBI team examined the nutritional content of recipes and hosted healthy cooking seminars for small groups of Appropriated Fund (APF) and Non-Appropriated

Fund (NAF) food personnel. These efforts, which the team called the Menu Renovation Initiative, were based on a “train the trainer” model.

Menu labeling – Two labeling systems were included in HBI: Go for Green®1, which was primarily used in dining facilities and galleys, and Better For You, which was developed for NAF (Morale, Welfare, and Recreation/Force Support Squadron/Marine Corps Community Services) operations on installations.

Food presentation and placement – HBI included implementation of the Cornell Food and Brand Lab’s Smarter Food Movement program, which is rooted in the behavioral economics concept of choice architecture. The team tested how placement and presentation of food could affect customer behavior and sales of designated items.

Increasing fruit and vegetable consumption – By partnering with the Defense Commissary Agency (DeCA) in a fresh produce initiative and by establishing Farmers Markets at key locations, HBI explored ways to increase sales of fruits and vegetables to Service members and dependents.

Nutrition education – HBI reached out to the non-profit organization Share our Strength to implement its nutrition education program, called Cooking Matters. The Cooking Matters program is designed to help individuals and families learn how to purchase and cook healthy food.

The DoD will continue to engage with appropriate federal agencies and respective partners to ensure our service members have accessibility and availability of nutritious food to meet mission needs.

Capitalizing on the lessons learned from the HBI and through consistent longer term measurement and evaluation to identify effective population health related interventions, through a DoD-specific cost of disease model/application, DoD will be able to identify and prioritize interventions most likely to reduce health care costs.

Secretary CARTER. We do spend \$50 billion a year on health care, so it is a big part of our budget. Obviously, like everywhere else in the economy, we want to not see that grow too quickly, and one of the ways you do that is to keep people healthy, and one of the ways you keep people healthy is to teach them what is healthier. So that is an important initiative.

I also want to thank you for the—the manufacturing institutes are a tremendous success. These are public-private partnerships, they are kind of model ways of doing things, and they are very critical to keeping manufacturing and high-skilled jobs, but more importantly, industry supporting defense, from our point of view, in the United States.

I will say this about Zika, and I will get back to you on the C-130J.

[The information follows:]

Congressman Ryan, as you state, we perform the Aerial Spray Mission with the 910 Air Wing (AW), out of Youngstown, Ohio. The mission is completed with the C-130H aircraft stationed at that unit. The men and women of the 910 AW and their C-130H's are mission ready and capable and will continue to be for the foreseeable future. There are no plans to convert these special mission aircraft to C-130Js as the current C-130H's are performing well and, as I stated, they stand mission ready and capable. To date, I am not aware of the 910 AW being engaged in the battle against Zika but I can assure you, that if called upon, the Department of Defense and all of our related resources will respond appropriately to fight this disease.

Secretary CARTER. I am not aware that it in any way the spraying program is at risk as a consequence of the overall buy. We have several hundred C-130Js and we adjust the buy accordingly.

With respect to Zika, we have not been assigned a role yet in that. There are funds that Congress has made available to the Department of Health and Human Services for combating Zika and they are doing various things. We stand ready to help them with research, with spraying, whatever they end up asking for. So we are kind of on tiptoes if we are asked to do things. We have not been asked to do things yet, but, obviously, we will play a role if we are asked to play a role.

Chairman.

General DUNFORD. Dealing with the onset of the Zika virus is our focus, obviously, has been on preventative medicine and protection of the force, and our commanders have all identified individuals, for example, that are at high risk, pregnant women in South America and those kinds of things, and afforded them the opportunity to leave the area where they are at risk for the Zika virus.

So right now what we are doing is just making sure that our force, wherever they are deployed, particularly in those areas where the Zika virus is present, are taking all the measures to make sure we have a healthy force. And I would say the things that we do, Congressman, you know, our medical professionals are very experienced and very good in preventative health. In the areas, something like this, they are very good at making sure that we are proactive in keeping the force healthy and ready.

Mr. RYAN. Thank you.

Mr. FRELINGHUYSEN. Thank you very much.

The committee, of course, would like to commend the Department for the good work they did addressing the Ebola. I mean,

your command and control of that was very important moving towards its eradication.

Mr. WOMACK.

Mr. WOMACK. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you for your patience.

READINESS

Mr. WOMACK. Thank you, Mr. Secretary, General Dunford. Always great to see you.

Mr. Secretary, I am a big picture guy, and, obviously, it is obvious with your third offset strategy you are a big picture guy. I truly appreciate that.

There is another big picture view that is stark reality, and everybody on this dais knows it, we talk about it a lot, and that is the trajectory of the Federal budget and the squeeze that is happening as a result of the growth in the mandatory programs and the fewer and fewer dollars there seem to be for discretionary programs, including the defense of our country. It is alarming to me, and we don't have an answer for that.

That said, as a result of sequestration and the Budget Control Act, we have lost a lot of what I believe is readiness capability because of a very difficult, constrained resource environment. And it looks like that we are going to be trying to buy back some of that readiness now and deferring some of our other obligations to the future, which this Congress is pretty good at. I hate to see the Department of Defense having to do the same, but that is the reality of the constrained resource environment that we happen to be in.

So I am just going to throw that out on the table as a concern from this Member of Congress and ask you to comment and give us the reality of what is happening in the Pentagon and how we are having to push a lot of very vital procurement needs to the future to be able to buy back some of this readiness that has been lost to date.

Secretary CARTER. I will start and then ask the Chairman to do the same.

You are right. We are trying to give priority in this budget both to restoring readiness, particularly full spectrum readiness, and to modernization. We have to balance those two, no question about it. We are trying to find the money for those two priorities elsewhere in the budget. And that is why, as I said, the shape of our budget is so different this year in how we are trying to turn a strategic corner.

With respect to readiness, each of the services is somewhat different, but they are all trying to get back to full spectrum readiness. We are funding their return to full spectrum readiness.

The stability you gave us with the Bipartisan Budget Act is absolutely critical. Without that, we can't be on that trajectory to full spectrum readiness. So the stability is very important.

And you began your question by talking about everything that goes into stability. We are only the Department of Defense. We are part of the discretionary budget. We understand you all have to deal with all the parts of the Federal budget. But we can't just keep focusing all our energy on the discretionary part of the budg-

et, as has been the case, and that is why I am so glad that the budget agreement was reached and gave us some stability.

But readiness is a big priority for us. I could go through each of the services, but I don't have time.

Let me ask the Chairman to comment in general on readiness.

General DUNFORD. Two quick comments, Congressman. Thanks for the question.

You know, I think, as you know, with readiness, we can't actually buy our way out of the problem that we have right now. There are a couple of things that impact. We certainly need resources, and we have asked for those. There is a factor of time. It is going to take time. The operational tempo that we are experiencing right now has an effect on readiness.

And then some of the impact of the last few years with regard to the industrial base and the maintenance backlog that has resulted, there is a physics issue in terms of getting all the equipment fixed that need to be fixed. And then, of course, the modernization that has been deferred also impacts readiness, because some of the equipment buys that we would have done two, three, or four years ago now are out now three, four years from now.

But what I would say I try to do in making recommendations to the Secretary for this budget is you look at readiness and you look at force structure and you look at modernization and then you look at the foundational elements of infrastructure and so forth.

My perspective was that given the resources that we have, we have got to try to achieve some balance among those four areas and posture ourselves for the next five or seven years. And so you are right. What you don't want to do is make decisions always for the near term that actually mortgage the future.

I think in 2017 what we really tried to do, and that is highlighted by the capability areas that we have emphasized, is we have lived year to year, and I know this from the previous life as a service chief, we have just tried to get through the fiscal year, and we have delayed some of those decisions three to five years.

I think we reached a point this year where we recognized in some very critical capability areas we could no longer wait before we started to make those investments. And so what we tried to do is achieve the best balance we could in those four areas I mentioned so that we were making some investment in the future even while being attentive.

And I will tell you, job number one has been for the Secretary and I, making sure that the young men and women that we are deploying today have the wherewithal to accomplish the mission with minimal loss of life or equipment. I mean, we have focused on that. But given that, we did make some other decisions that would allow us to balance near-term readiness with long-term modernization and, of course, readiness, and I describe that as health of the force today and wellness. The investments you make today are really about wellness and health of the force tomorrow.

So tough decisions had to be made. And, again, I think what I would say is we came out of fiscal year 2017 balancing the resources we had the best way we could. But you have identified something that actually is my number one concern.

My number one concern is less what we are doing in fiscal year 2017 or where we are today. My number one concern is where will we be 5 to 7 years from now if we don't change the trajectory that we are on right now, where will we be 5 to 7 years from now if we don't start making the investments that will allow us to all have the same conversation we have had here this morning where we can say, Russia is a challenge, sure it is, North Korea, Iran, China, all challenges.

But make no mistake about it, we have a competitive advantage and we can dominate those countries today. I am not sure we can say that in 2022 if we maintain the same path we are on today, and I think that is what we are all most concerned about.

Mr. WOMACK. Appreciate the service of these gentlemen. And I yield back my time.

DECONFLICTION IN THE MIDDLE EAST

Mr. FRELINGHUYSEN. We thank you, and we thank you for your service. And you didn't put a plug in, but others have referred to the enormous contribution of our National Guard, of which you were part of for many, many years.

There is a lot of keen interest, I know we are past high noon, but we are going to labor on. And let me know if there is any ill ease at the front table.

I would like to talk a little bit about the whole issue of deconfliction with Russians and others in the Middle East. Can you comment on that? There is a lot of open source information there. In Iraq, we are cheek by jowl with elements of the Quds Force. To some extent we see Russian superiority in major portions over Syria.

Can you talk a little bit about what we are doing? There is a report in The Washington Post that we have been letting the Russians know where certain operations are occurring. Can we talk a little bit about that in this session here?

Secretary CARTER. Sure. We can. And I would, obviously, go into it in greater detail with you privately in another setting. But I will start.

And why don't I do Syria and you can do Iraq or whatever.

In terms of the Russians in Syria, we have a memorandum of understanding with them that is—and the word is accurate and precise—to deconflict our war on ISIL from what the Russians are doing, which, unfortunately, is something quite different, which is supporting Assad in the civil war, which is not what they said they were going to do.

And so they are off on a whole wrong trajectory of fueling the civil war in Syria. That is a somewhat separate subject. And we don't agree with them in that, and we can't align ourselves with their strategy in that way. And our deconfliction doesn't mean we are aligning ourselves with the Russians, it just means that we are working with them so that we don't inadvertently run into each other in the air or on the ground.

They are, I have to say, abiding by that memorandum of understanding. It is very professional, it is military to military at a very operational, professional level, not the Chairman and me. And the

Russians conduct themselves in accordance with that agreement and, therefore, don't impede our campaign against ISIL.

At the same time, I just have to repeat, we don't otherwise associate ourselves with what the Russians are doing in Syria, because it is totally wrongheaded.

Mr. FRELINGHUYSEN. In Iraq, I mean, to some extent the Quds Force have been able to unite a disparate group of Shiite militias and have been enormously successful in terms of influencing the course of action there. I just wonder do you have any degree of discomfort, and what is your feeling about what is happening there?

General DUNFORD. Yeah. Chairman, thanks. In Iraq, there are really two issues. You know, you talked about us being collocated with forces. I would tell you from a recent trip, I am satisfied. We have a very aggressive counterintelligence program in Iraq to make sure the force protection of our men and women is taken care of. So that is a piece of, I think, what you alluded to.

With regard to the provisional military forces that happen to be backed by Iran, the one thing I am encouraged by is the Iraqi Government, particularly in operations like Ramadi, they recognize that our support was conditioned on not having those Iranian-backed forces in and around that area, and so they weren't participating in Ramadi.

I also know that there is a great deal of energy being applied to talk about how to integrate those forces into legitimate Iraqi Security Forces. And we are not at any time providing support for any forces that aren't actually legitimate, read part of the Iraqi Government in Baghdad and under Prime Minister Abadi's control and responsibility.

Mr. FRELINGHUYSEN. We are interested in, and of course all of us are interested here in the issue of force protection. And just because at this point in time people that are, should we say, cheek by jowl with us are, quote, leaving us alone, one has to assume that they, themselves, are doing what we are doing.

General DUNFORD. Chairman, I can tell you, just to make sure it is clear, we are concerned about that, we are watching that very closely. And I wouldn't suggest to you for a minute that we are complacent about it, and I know our commanders on the ground aren't complacent about it either. And we have a significant amount of resources dedicated to make sure that we can recognize the changes and take appropriate action in anticipation of those changes.

RULES OF ENGAGEMENT

Mr. FRELINGHUYSEN. It is good to have that public reassurance.

On the issue of rules of engagement, one of the benefits of congressional travel is that we often separate ourselves from general officers to talk with the men and women who do remarkable things. And I followed a little bit of the lead of my predecessor getting out to Bethesda, Walter Reed, and from time to time I run into situations where remarkable people who have done courageous things have been injured. And it bothers me when I hear that they didn't get the air support that they needed.

As you have pointed out, maybe the Afghans are ready for primetime, but I do hear more than anecdotal information that

some of those forces don't fight at night, and as a result some of our men have been put in compromising positions.

And it sort of hinges on what, in my introductory remarks, which are not political, is that there is a feeling out there, and I think this is shared by a lot of Members of Congress, that there are somehow forces of higher up, and I understand the chain of command, that people have to check with a variety of different people before they, shall we say, look after the mission that they are involved in.

Could you comment a little bit about that and give, again, a level of reassurance here? To think that somebody would be sort of checking on you and the remarkable people who are in positions of command and second-guessing you, assure me that that is not happening.

General DUNFORD. Chairman, I can. Let me try to explain it. First of all, I wouldn't understate the concerns of the folks that you have talked to at Bethesda, Walter Reed, or talked to in the field. I have talked to them too, and sometimes they have confusion, they have questions. And believe it or not, even though I am a general, they bring it up to me as well. And that is the one nice thing about our force today, is they don't hesitate to unload on you. If you make yourself available for questions, you have got to be prepared to answer them, because they are going to ask them.

But I would distinguish—you know, rules of engagement kind of has become a catchall phrase for a whole wide range of activities that take place on the battlefield. I can assure you of you this. When it comes to the right of self-protection, there is nothing that limits a soldier, sailor, airman, or marine from taking appropriate action if they are threatened. There is no question about that. That is the fundamentals of rules of engagement.

What you are really referring to, though, is when, where, and how we employ combined arms on the battlefield. And so I would tell you there are times when those decisions are made at a more senior level, and, frankly, I made them at a senior level on occasion, because there are strategic implications sometimes with regard to civilian casualties and so forth.

Mr. FRELINGHUYSEN. Collateral damage.

General DUNFORD. Collateral damage. And so that sometimes has to be managed.

So we have various levels of authorities that are associated with the numbers of civilian casualties and the amount of collateral damage that may take place in a certain operation, and that is sometimes elevated to the general officer level.

And my experience is that, again, when it comes to soldiers, sailors, airmen, and marines taking action that involves their right of force protection, they can crush a handset, so to speak, and call in combined arms and do what must be done.

When it comes to conducting a deliberate strike that may have strategic implications, we have, we do, and we will make those decisions at a level where risk can be managed appropriately to make sure that what appears to be tactical actions with strategic consequences, the decisionmaking is being made at the right level.

In my case, it was managing a very difficult relationship with the Government of Afghanistan. In some cases, our very presence

and ability to conduct counterterrorism operations was being managed as a result of these strikes.

And so from the troops' eyes, I don't understate for a second their concerns, and I try to explain to them, just like I have tried to explain to you, look, it isn't we don't trust you; it is you can't necessarily see—everyone looks through a soda straw in combat, and everybody's soda straw is slightly different. And, frankly, when you sit there as a commander, your soda straw is a little wider than a squad leader or a platoon commander.

And, again, when it comes to them doing what needs to be done to take care of themselves or their unit, it is completely decentralized. When it comes to manage broader strategic relationships, yes, sometimes we make decisions at a level that the troops, the lieutenants, the captains would prefer to make those decisions themselves. And those of us that have become more senior feel like sometimes we ought to make those decisions, and there is a balance.

Mr. FRELINGHUYSEN. I am glad to hear it, because I do think as our footprint shrinks and there is that certain inevitability, that force protection, every soldier and whoever is representing our government deserves that assurance. And I just want to make sure that you have made it quite clear that that is the case.

Mr. Visclosky.

EUROPEAN REASSURANCE INITIATIVE

Mr. VISCLOSKY. Thank you, Mr. Chairman.

If I could return to the European Reassurance Initiative, which is contained in OCO, and we have had a number of interchanges as to the difficulty in planning year to year. Any sense, given at least my impression that this is going to be a permanent situation for some period of time, us vis-à-vis the Russians, that some of those moneys migrate into the base budget as opposed to end up in OCO, say, in 2018?

Secretary CARTER. The reality there is that this is money that we need to spend on a requirement that has quickly come upon us, therefore, it is appropriate that it be in OCO. There are other things that we are doing about the Russians and the kind of threat represented by the Russians that are in the base and are part of our enduring investment.

So there is a mix here. And I think that if the question is are we going to be doing more about the general kind of threat represented by Russia and China in the base budget in the future, you see that in fiscal year 2017 already, and I think you will see it in the outyears, assuming that what the Chairman said is our biggest risk here, strategic risk, which is a collapse of budget agreement and a reversion to the Budget Control Act, which is what he was referring to early. That is the biggest risk to everything we are trying to do, ERI and everything else.

HEALTH CARE AND RETIREMENT SYSTEMS

Mr. VISCLOSKY. If I could ask one more question. And more if you would want to address the issue of the budget recommendations on health care, retirement. I have mentioned in the past I think Congress has a huge burden to bear and blame, not that the adminis-

tration is always right in these, but something has to be done. Mr. Womack mentioned mandatory, I mentioned mandatory on the civilian side. You suffer from the same problem.

What is, if you would, from the administration's perspective, your justification of doing this from a budgetary standpoint? The general had talked about his concerns six, seven years out.

Secretary CARTER. We have made proposals and the Department continues to ask for your support, and we haven't always gotten the support, not necessarily of this committee, but of Congress for what we regard as reasonable steps to make our provision of health care more efficient and to cap the rise in the growth of healthcare costs.

We try to do that in a way that doesn't compromise the quality of care, doesn't restrict the number of people receiving care. But I will give you some examples of that and then perhaps the Chairman would want to comment on it as well.

Medical treatment facilities, using them more efficiently. The issue of copays I know has come up in past years, and that is really—these are very small copays we ask for, and their basic purpose is to make people ask themselves: Do I really need to go to an emergency room for this or could I take a different route? If they need to go to an emergency room, we want them to go. This is just a little signal in that regard.

And we try to allocate these efforts across the population so that we protect the parts of our military family, Active Duty and retired, who have the greatest needs and have the fewest alternatives.

So we try to do it as carefully as we can. We know it is difficult. We know that we have not received 100 percent support. We are grateful for the support we have gotten from this committee and others. But it is tough. It is tough on us. We understand it is tough on the Congress as well.

With respect to retirement, we do have, thanks to our partnership with Congress, an approach to retirement for new members, a blended retirement system. I think that is a good thing. I think it will be good for the All-Volunteer Force.

Going forward, just to remind you, for members of the service who are already in, they don't have to go to that blended retirement if they don't want to. Nobody is changing the deal for people who are already in the military. This is a program that will be available to folks in the future.

That is a few things about health care. Perhaps the Chairman would like to add some additional thoughts.

General DUNFORD. Congressman, maybe just to put it in perspective from where I sit. Sometimes we look at health care and compensation as separate from training and equipping. To me, it is all about taking care of people, it is all about our number one responsibility, which is to bring our young people home alive and give them the wherewithal to accomplish the mission, and then keeping faith with them. So there is a balance.

I can just share with you why we are so focused on these areas now. As a service chief in the Marine Corps, they have a little bit different dynamic. I think in the Department as a whole, we spend some 55 percent, close to 60 percent if we keep going on people. In

the Marine Corps, we spend close to 70 percent on people. And health care, I think, has gone from 4 percent of the budget to some 9 percent of the budget, if I am not mistaken.

So as I started to, as a service chief, look at the trajectory of the cost of people, I realized that, look, there is absolutely no way that I can make sure these folks are properly trained and equipped as well as paid, compensated. And so I think there is a balance that has to be achieved.

And so I think these initiatives are, in fact, designed, number one, to provide better programs to recruit and retain high quality people, but also to start to control the costs and still be able to take care of people.

When I explain this to families, they actually get it. When I talk to spouses even, I say: Look, here is the reason why we tried to control the cost of personnel over the last couple years. We used to spend—and this was, again, a service perspective—we used to spend 12 percent on modernization. Now I am down close to 8 percent on modernization.

At the end of the day, you may be well paid, you may live in a good house, you may have good medical care, but we may not have the wherewithal to provide you with the best training and equipment. And the spouses uniformly look at me and say: Hey, you better not compromise on the equipment and the training you provide to my loved one.

So to me, this is a question—I look at compensation holistically. It is just not those two things you mentioned, but it is the entire package that ensures we have the most well-trained, the most well-equipped, and the most well-incentivized force that we can possibly have.

And so I appreciate the latitude that we have had to try to make some of these decisions, because the desired end state, I think, we all share. We share high-quality people that are recruited and retained, frankly, in the right skill sets and so forth, and we also share the end state of making sure that when we ask them to do something, we give them the wherewithal to properly do it.

Mr. VISCLOSKY. Appreciate it.

Mr. FRELINGHUYSEN. Thank you, Mr. Visclosky.

Mr. Womack.

Mr. WOMACK. Yeah. One real quick follow-up. Back to ERI for just a moment and the rotational brigades, and kind of a plug for the Reserve component, since my chairman brought that up just a minute ago. Rotational brigades, I think ideal for Reserve component formations. It does a lot of things. I won't go into all those here.

State Partnership Programs, particularly with host nation support, the relationships that are forged there become combat multipliers for us if necessary. So I just put in a plug for that. I have gotten to know General Hodges pretty well, and what a remarkable person to be able to make 30,000 look like 300,000 on a given day, and I know he relies heavily on these State Partnership Programs for that too. So I just kind of throw that out there and ask for your continued support in that regard.

Mr. FRELINGHUYSEN. Well, thank you, Mr. Womack.

And I know the two gentlemen that have done most of the speaking today also rely on Secretary Michael McCord.

And while you didn't say anything, may I commend you and thank you for the close working relationship you have had with our staff and other committee members. There has never been a time when we have requested information that we haven't gotten the facts that we needed to do the job.

Mr. McCORD. Thank you, Mr. Chairman. And I will just, if I could, make one or two comments.

Mr. FRELINGHUYSEN. Please do.

Mr. McCORD. On the discussion on the IMIs and the value of those, we are looking carefully at possibly sending you a re-programming this year to create one more. It is not a final decision yet, but that is a possibility.

Mr. FRELINGHUYSEN. You could be sure we take a look at all of the reprograms that you send—

Mr. McCORD. Absolutely, Mr. Chairman.

Mr. FRELINGHUYSEN [continuing]. And ask for a full justification. Yes, Mr. Visclosky.

Mr. VISCLOSKY. I have been remiss as a Notre Dame grad for also congratulating the comptroller on defeating Notre Dame, and then the next day your women's team beat the Maryland women's basketball team. It just rolls on forever.

Mr. McCORD. I was not going to bring up the basketball, Mr. Visclosky.

Mr. VISCLOSKY. And that is why I respect you. Thank you so much.

Secretary CARTER. And I thank you for thanking Under Secretary McCord. He is terrific, and we very much benefit, and I am delighted to hear that he works so well with you.

Mr. FRELINGHUYSEN. Mr. Secretary, General Dunford, Mr. McCord, on behalf of the remarkable men and women you represent, please extend our thanks and gratefulness for their dedication and service, all volunteers, and as I said at the beginning, the best of the America. We need to look after them and their families.

We stand adjourned. Thank you very much.

[CLERK'S NOTE.—Questions submitted by Mr. Calvert and the answers thereto follows:]

ACQUISITIONS

Question. As you know, CBO and GAO have regularly reported that DOD starts more acquisition programs than it can afford to complete. As a recent CBO report stated "Several areas of DoD's budget have frequently turned out to cost more than originally planned or to increase more rapidly than expected. Those areas include the following: costs to develop and purchase weapon systems . . . [and] operation and maintenance costs."

How do you guard against starting more programs than you can afford? Cost estimates are routinely lower than what the actual cost ends up being. How do you ensure that cost estimates are realistic? Do you, when evaluating program budgets, recommend that budget requests adhere to the service estimate; the independent cost estimate, or whichever estimate is higher?

Answer. DoD guards against starting more programs than we can afford through our Affordability Policy, implemented in all three Better Buying Power initiatives and codified in DoD Instruction 5000.02, "Operation of the Defense Acquisition System." The purpose of our Affordability policy is to set cost-constrained limits to program acquisition and program operating and support costs to the maximum resources the Department can allocate for a capability.

The Department ensures cost estimates are realistic through the combined efforts of the Office of Cost Assessment and Program Evaluation (CAPE) and the Service Cost Centers. The CAPE provides an Independent Cost Estimate (ICE) that can be compared and contrasted to the Service Cost Position (SCP) for acquisition programs where the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) is the Milestone Decision Authority. These estimates are developed separately and provide the USD(AT&L) with two analytically rigorous products. The USD(AT&L) reviews the differences between the ICE and SCP and determines which estimate is likely to be more realistic over the lifecycle of the program, and directs the budget reflect this estimate. Procedures are also in place to enforce compliance with this direction.

[Clerk's note.—End of questions submitted by Mr. Calvert. Questions submitted by Mr. Aderholt and the answers thereto follows:]

EUROPEAN REASSURANCE INITIATIVE (ERI)

Question. We learned in Iraq and Afghanistan that the rotation of Brigade Combat Teams in and out of theater generates a steep learning curve within new units, as they attempt to reach the effectiveness of the unit they replaced. Armored brigades rotating to Europe as part of the European Reassurance Initiative will no doubt face that same learning curve; everything from the laws that govern international border crossings, to the nuances of working with partner nations. These rotations will necessarily invite friction and risk. What is your assessment of these risks, which Russia is certainly aware of, and would permanently stationing one or more Armored Brigade Combat Teams in Europe help to mitigate those risks, and better assure our NATO allies?

Answer. U.S. presence—both forward stationed and rotational—reinforces to our NATO allies and partners that the U.S. is committed to deter and counter Russian malign influence, coercion, and aggression. Under current conditions and European Reassurance Initiative (ERI) funding, rotational forces along NATO's eastern flank are the most effective way for the U.S. Army to meet U.S. European Command's (EUCOM) requirement for the continuous presence of an Armored Brigade Combat Team (ABCT). Rotating ABCTs provides a ready and trained capability to EUCOM, while also exercising the Army's ability to quickly mobilize and deploy ABCTs. Moving forward, we will continually assess what additional steps are required to meet the demands of a new and evolving security environment in Europe.

Question. The military will necessarily build readiness in units that are preparing to rotate to Europe as part of the ERA, but this readiness will be rapidly consumed in the conduct of the ERI rotation, as a majority of the exercises with partner nations are small-scale, leaving battalions and brigades with few opportunities to exercise their core competencies. Using the USMC's model of a Marine Expeditionary Unit (MEU) as a justification for the legitimacy and effectiveness of a rotational ABCTs in Europe is an apples-to-oranges argumentative fallacy, at best. Additionally the Department of Defense only has nine active duty ABCTs, which it deploys on a rotational basis to Europe, Kuwait, and Korea with every brigade either recovering from a deployment, training for an upcoming deployment, or currently on deployment. How does the department reconcile this alarming high use of the ABCTs, which rivals the rate of use during wartime, and how will the department adjust for an increased demand for ABCTs, should a wartime need arise? What is the signal for the DoD to increase the quantity of active duty ABCTs?

Answer. We are re-evaluating our defense posture in Europe to ensure we can respond in a timely manner to crises and contingencies in order to support U.S. European Command objectives. Europe, Kuwait, and Korea are forward positions that will improve the response time of an ABCT to most likely contingency locations. Moving forward, if there is a change to an existing threat or a new threat arises, we will continually assess where our Armored Brigade Combat Teams are forward positioned and what additional requirements may be needed to support ongoing and future contingency operations.

Question. In the event we call on our military to quickly build forces in Europe due to Russian aggression or any other factors, what are the limiting factors in the reception of our forces? Assuming that a full division or more of combat troops were required to meet the threat, are the ports, road systems, reception and staging areas, and all other associated infrastructure needs fully capable of moving our forces in at a rate that is acceptable by DoD leaders and contingency planners? If not, what are the barriers to a buildup of forces, and what is our plan to remove these barriers?

Answer. In the event of a crisis or contingency, we have the ability to quickly bring U.S. forces to Europe. We recently demonstrated this capability in exercise

TRIDENT JUNCTURE in late 2015. We continue to analyze existing capabilities (e.g., host nation infrastructure, commercial ports and airfields, etc.) to identify potential barriers and gaps in our ability to provide timely support to U.S. European Command objectives. Going forward, we will continually assess requirements for future investment—either U.S.-funded or by leveraging the NATO Security Investment Program—to enhance Reception, Staging, Onward movement, Integration (RSOI) capabilities in the theater.

Question. U.S. participation in NATO operations and the ERI brings with it an increased amount of equipment in the form of ABCT equipment sets and A PS stocks, which will necessarily require a significant amount of European infrastructure for movement, storage, and maintenance. Are European facilities and services that are used for the purpose of keeping U.S. military equipment in Europe being offered to the DoD at competitive market rates—or lower—to thus represent their status as partners with the U.S. tax payer in this enterprise? If not, what are the reasons the U.S. is not being offered competitive rates for the purpose of defending Europe? What is the estimated amount of spending, or in-kind funding, being dedicated by European countries?

Answer. The Department is currently finalizing preferred locations for storage and maintenance of Armored Brigade Combat Team (ABCT) equipment sets and Army Prepositioning Stocks (APS) in Europe, at which point negotiations with host nations will be initiated for competitive market rates for facilities and services.

The Department aims to use existing infrastructure and services on the host-nation bases where possible. As a cost-savings measure in locations where existing infrastructure is not immediately ready for use, the Department is renovating infrastructure that has already been built and provided to the U.S. by the host nation. In cases where usable infrastructure does not exist, host nations are providing real estate on their existing bases, or purchasing real estate for use by the U.S. In terms of services and maintenance for infrastructure, all host nations have expressed a willingness to sustain the facilities we build, and that are joint use. The same applies to utilities.

TROOP REDUCTIONS

Question. We are currently experiencing a reduction in military personnel, while deployments for regional alignment, the European Reassurance Initiative, and in the fight against ISIS, are increasing demands on the force. Additionally, according to the National Military Strategy of 2015, the U.S. military can defeat a regional adversary, while denying the objectives of an adversary in a different region; this is a dramatic transition from the times when the U.S. military was capable of defeating adversaries in two regions simultaneously. How concerned are you about the continuing trend of troop reductions, and please articulate for us what risks are we taking if we continue to reduce the size of our military in the coming years, as planned?

Answer. I am concerned about the trend lines in the Joint Force's capacity, capability, and readiness to maintain our competitive advantage and overmatch against any likely future adversary. PB17 projects force end strengths consistent with the 2014 QDR forecasts. However, the emergence of ISIL and Russian revanchism has changed the strategic environment since the QDR was published. Force availability shortfalls increase risk in our ability to rapidly respond to multiple, overlapping contingencies. End strength reductions below the current plan must be benchmarked against our strategic challenges and would mean adjusting the ends of our defense strategy.

JSTARS—JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM

Question. Sixty Members of the House Armed Services and Defense Appropriations Committee wrote to you last November expressing concern about repeated schedule slips of the JSTARS Recapitalization program. Yet your FY 17 budget submission slips the Initial Operating Capability (IOC) for JSTARS recap by at least an additional year and reduced funding for JSTARS by \$170M when you compare the FY 17 request to what the Air Force indicated was required for FY 17 in the FY 16 request. Please explain this further delay?

Answer. The Department's FY 2017 budget request fully funds the Joint Surveillance Target Attack Radar System (JSTARS) Recap Program to the OSD/CAPE Independent Cost Estimate to achieve the Warfighter's required Initial Operating Capability (IOC) date in the fourth quarter of FY 2024. The FY 2017 budget request was revised to align with the anticipated award of the development contract in the first quarter of FY 2018.

The FY 2017 budget includes necessary funding to complete planned Technology Maturation and Risk Reduction phase activities and to prepare for the planned award of the development contract in early FY 2018. In FY 2017, the Air Force plans to complete radar risk reduction activities focused on ensuring at least two radar designs are sufficiently mature to support the planned full and open competition and schedule for the Engineering and Manufacturing Development phase.

CONTRACTING

Question. There are numerous reports out of Redstone Test Center (RTC) that the speed in which contracts are being awarded is slowing, and that the change is due to organizational and systemic causes, instead of manpower shortages. Please explain how DoD monitors the efficiency and effectiveness of its contracting arms, and what the tolerances for acceptable performance are. What changes or events within DoD contracting agencies over the past three years would have resulted in a delay in awarding contracts? To what extent is DoD considering proposing that contracting decisions be returned to the Command carrying out programs, as opposed to a central contracting Command.

Answer. The Army uses a variety of tools to monitor the effectiveness of its contracting, such as the Virtual Contracting Enterprise suite of information technology tools that track procurements and other key metrics in real time. Additionally, the Army conducts Contracting Enterprise Reviews that are reported quarterly to the Deputy Assistant Secretary of the Army for Procurement and to the Army Acquisition Executive that track various metrics and highlight any challenges facing the contracting enterprise. The Army also manages a robust Procurement Management Review Program that looks at the business operations of all the Contracting Commands, rather than focusing solely on compliance of individual contract actions. Any trends are reviewed and shared with the affected activity, and corrective actions are addressed at both the execution and management levels.

The Air Force also utilizes numerous methods to monitor the effectiveness of its contracting organizations, including tracking metrics such as the definitization of undefinitized contracting actions, protests, and competition. The Air Force tracks its Procurement Acquisition Lead times as part of its Air Force Common Output Level Standards across its enterprise. In addition, Air Force Contracting conducts self-inspections of identified deficiencies for corrective action and then forwards those to higher headquarters for trend analysis across the buying command and at the enterprise level.

The Department of the Navy (DON) utilizes a variety of tools to monitor the effectiveness of its contracting practices that includes procurement oversight led by the Deputy Assistant Secretary of the Navy for Acquisition and Procurement (DASN(AP)). DASN(AP) relies on the Procurement Performance Management Assessment Program (PPMAP) as its primary method of validating the extent of sound contracting practices that occur within the DON. PPMAP enables DASN(AP) and the eight Navy and two Marine Corps Heads of Contracting Activity (HCAs) to evaluate the quality of procurement processes and management systems; validate the execution of delegated procurement authority that occurs according to law and regulation; mitigate risk of vulnerabilities to strengthen internal controls; institute appropriate corrective actions, as needed, to improve (or maintain) the quality of procurement operations; and identify best practices across the enterprise.

There are numerous reasons why a contract award may appear to be delayed. Some examples of issues that affect the procurement process outside of contracting include incomplete, unclear, or late submission of requirements to the contracting office; changes to the solicitation based on questions from industry that increase the proposal submission time; increased time for evaluations due the complexity of the requirement; lack of complete and/or quality proposals from industry; and protests. The Redstone Test Center awarded two competitive actions during FY 2013–2016 that were worked through the Army Contracting Command—Redstone Contracting Center; however, it transferred several acquisitions to the Army Contracting Command—Aberdeen due to resource constraints (test center manpower and inexperienced contracting personnel). There was a loss of experienced evaluators at Redstone during the time period of these source selections, further straining available resources and contributing to delays. Of Redstone Arsenal's contracting workforce losses (411 between CY 2011–2015), 75 percent had more than 10 years of experience. In 2015 alone, Redstone lost 100 (nearly 12 percent) of its seasoned civilian contracting workforce. Contracts for the Redstone Test Center were also protested before and after award, causing further delay.

In addition, the Army experienced a steady decline in the civilian contracting workforce, impacting the contracting centers. In 2011, the Army civilian contracting

workforce was 7,098 strong, but by the end of 2015, the Army civilian contracting work force decreased by 1,220 to 5,878 (17 percent loss). Many of the losses sustained were senior contracting personnel. By 2015, more than 30 percent of the contracting workforce had 5 years or less experience, and more than 60 percent had 10 years or less experience. A junior workforce is not as efficient as a senior workforce, and they require more time to solicit, evaluate, and negotiate contract awards.

Currently, Army contracting decisions are made at the appropriate command level within its four buying commands. There is no centralized Army Contracting Command authority. Command authority and procurement authority are separate and distinct. The four buying commands in the Army have been delegated procurement authority via the Army's Senior Procurement Executive. Accordingly, each HCA exercises that authority over their subordinate operational contracting activities. Procurement authorities are retained within contracting organizations by way of delegation from the HCA to the Principal Assistant Responsible for Contracting (PARC). All Army PARCs reside within the contracting organizations, which are locally aligned to support the various requiring activities and major programs. The PARC further delegates authority to individual Contracting Officers, who exercise procurement authorities in accordance with the Federal, Defense, and Army Acquisition Regulations and Supplements.

EELV

Question. DoD's methodology for ensuring access to space appears to be based in part upon a misreading of the Commercial Space Act of 1998. The Air Force interprets the Commercial Space Act of 1998 as prescribing that the USAF may only procure commercial "launch services" rather than separate rockets or engines, where the intent of Section 201 of the Space Act was to ensure that the USAF procured space transportation capabilities from commercial providers, saving U.S. government assets, such as the Space Shuttle, for only the most important missions. The Space Act sets up a commercial versus U.S. government framework, and does not prohibit the USAF from directing the production of different parts to build a space launch system. As such, the USAF is missing an opportunity to re-engine the Atlas V rocket, which would save taxpayers hundreds of millions of dollars, instead of procuring a completely new launch system. Industry has validated that an American-made engine can be produced for the Atlas V without a loss of capability. Please articulate how allowing the USAF to procure the different parts of a launch system could move us away from the Russian RD-180 engine sooner, and at a significant cost savings to the tax payer.

Answer. The Department believes that section 201 of the Commercial Space Act (CSA) of 1998, Public Law 105-303, as presently codified in section 50131 of title 51, United States Code, directs it to procure commercial launch services, as opposed to launch hardware, which was the approach on many of the heritage launch vehicle programs prior to that time. Since the enactment of the CSA, the Department's Evolved Expendable Launch Vehicle (EELV) program acquisition strategy has been consistent with this requirement. Therefore, based on that requirement, the Department currently purchases launch services and not launch vehicle hardware or components.

The Department wants to end use of the Russian RD-180 rocket engine as soon as possible, but we do not believe this can be accomplished before 2021 or 2022. To be clear, the Department does not intend to unilaterally pay for the development of a direct replacement engine for the RD-180 on the Atlas V. The costs would be excessive to the Department, and a specific engine program would only benefit one launch service provider.

The Department's goal is to develop competitive public-private partnerships with commercial launch service providers that can result in new and improved launch service capabilities. Investing in ongoing efforts by commercial launch service providers leverages the work already being done in launch service development. This is the quickest and most efficient way to end use of the RD-180.

Question. Secondly, the Mitchell Commission also concluded that rockets designed and built by various contractors can use the AR-1 engine. Given this fact, I believe Congress needs to know more about what information the Air Force is receiving and from whom. What are the credentials and direct engineering experience and management experience of persons who are disagreeing with the Mitchell Commission conclusions? The reason this question is necessary is that the opinion of Mitchell Commission Deputy Chairman Dr. Michael Griffin, as well as past managers of NASA programs, differs from the current Air Force narrative which presents re-engined rockets as virtually unusable. What specific rocket engine and rocket body combinations are your information sources referring to from the past?

Answer. The RD-180 Availability Risk Mitigation Study, also called the Mitchell Study, was chartered by the Assistant Secretary of the Air Force for Acquisition to review the potential impacts of losing access to the supply of Russian manufactured RD-180 rocket engines used to power the Atlas V launch vehicle. The study had 4 official findings, listed below, none of which specifically addressed the utilization of the Aerojet Rocketdyne AR-1 engine on existing launch vehicles.

- Finding #1: Impacts of an RD-180 loss are significant, and near term (FY 2014–2017) options to mitigate them are limited.
- Finding #2: There are decision points that will provide indicators on the viability of the RD-180.
- Finding #3: Current Phase 1a/2 EELV acquisition strategy is impacted by RD-180 availability.
- Finding #4: Key milestones/decision points for current EELV acquisition strategy will come to a head in FY 2022 (Phase 3).

The determination of AR-1 compatibility with a particular launch vehicle would have to be made by the individual launch service providers that manufacture and control the technical baselines. That determination could only be made after a significant amount of detailed technical evaluation.

Question. Thirdly, whereas there was early concern that AR-1 would win any competition, the present path seems to lock us into a situation of funding stove-piped systems by various companies. NASA will have spent over \$5 billion dollars on Commercial Crew development alone before we start paying \$55 million or more per seat to those providers. Thus NASA, and soon the Air Force, is NOT simply purchasing services, you are developing products. The launch vehicle you chose in 2012 for the STP-2 mission still has not made its debut flight; thus, the Air Force is investing in future products, not simply purchasing services. If commercial companies decide to sell their launch vehicles to another country, the taxpayer would have to make these investments all over again. What are you doing in your Air Force contracts to provide more transparency of expenditures than NASA, and more intellectual property protections, for the U.S. taxpayer?

Answer. The Air Force Evolved Expendable Launch Vehicle (EELV) program's acquisitions strategy from the outset has been to procure launch services and not launch vehicles or component hardware. This acquisition approach is also used on the Orbital/Suborbital-3 (OSP-3) contract used to acquire the STP-2 launch service from Space X. The OSP-3 contract acts as an on-ramp for EELV New Entrants to gain experience with the National Security Space launch service process. The Department has significant insight into both the United Launch Alliance and Space X vehicle designs, and this is necessary in order to verify that the companies are providing a service that meets the Department's technical specifications and mission assurance requirements. The Department does not, however, control the technical baseline, nor does it own the intellectual property rights to the individual launch vehicle designs.

As the Department continues to procure launch services, it will make every effort to leverage competition to guarantee the most cost effective program possible while continuing to provide the Nation with assured access to space as required by statute and policy.

CYBER

Question. The cyber domain is becoming an area of greater concern given the recent cyber attacks against electrical infrastructure in Ukraine. Please describe the current environment in Europe regarding a collective, multi-lateral, defense against cyber threats, and what conditions would have to exist in a cyber attack for a NATO partner to invoke Article 5 of the NATO treaty. Is the U.S. considering kinetic responses to cyber attacks, and what conditions would have to exist for such a response?

Answer. With regard to a collective, multi-lateral defense against cyber threats in Europe, the United States works with the organizations in which we participate, the Organization for Security and Cooperation in Europe (OSCE) and the North Atlantic Treaty Organization (NATO).

At the OSCE, the United States chairs a working group that, since 2013, has developed and adopted two sets of cyber-related Confidence-Building Measures (CBMs) intended to reduce the risk of misperception, escalation, and conflict stemming from the use of cyber technologies. To date, the OSCE is the only regional security organization that has adopted CBMs in the cyber domain.

With regard to NATO, at the Wales Summit in 2014, Allies recognized that the impact of a cyberattack could be as harmful to modern societies as a conventional attack and affirmed that cyber defense is part of NATO's core task of collective de-

fense. Allies also emphasized the need to strengthen the defensive measures of NATO and of nations and adopted an Enhanced NATO Policy on Cyber Defense and an associated Cyber Defense Action Plan to provide a framework to make NATO more resilient to cyberattacks and to identify Alliance cyber defense priorities. The Alliance has not specified which conditions would have to exist in a cyberattack for a NATO partner to request invocation of Article 5 of the Washington Treaty. As with a conventional attack, the North Atlantic Council will consider the facts of the specific case and determine whether Article 5 should be invoked.

Through various documents, reports, and public statements by the President and the Secretary of Defense, the United States has articulated that it can respond to a cyberattack on U.S. interests. In such a case, the effects of a cyberattack would be assessed on a case-by-case and fact-specific basis by the President and his national security team. If a decision is made by the President to respond to a cyberattack on U.S. interests, the United States reserves the right to respond at a time, in a manner, and in a place of our choosing, using appropriate instruments of U.S. power.

LCS

Question. Please articulate the specific reasons, citing DoD studies that justify the reduction of the LCS buy from 52 to 40.

Answer. The decision to truncate LCS was informed by the needs of long-term U.S. national security strategy. First, the Department's warfighting analysis (briefed to HASC/SASC staffers in a classified setting) showed that 40 LCS/FF are sufficient to meet the Department's operational warfighting requirements. Second, 40 LCS/FF exceeds recent historical presence levels and does so with a more modern and capable ship. The LCS/FF will replace legacy mine countermeasure ships, frigates, and patrol coastal ships.

Truncating LCS/FF freed up resources needed to modernize other surface ships, to increase the lethality of our undersea fleet, and to increase investments in naval aviation procurement and readiness. The Navy is mitigating risk in a war against a high end adversary by curtailing the procurement of the least survivable and least lethal surface combatant creating a more capable fleet. These investments fill critical gaps in capability required to counter the rapid modernization and technological advances of our adversaries. Even with the LCS reduction, the budget continues to grow the battle force from 280 ships at the end of FY16 to 308 ships by FY21, meeting the Department's posture requirement.

CPGS

Question. I would like a budget for both of those options to be provided to the Committee as soon as possible. For the AHW budget, specifically, I want the plan to include as much as possible the use and adaptation of current boosters in the U.S. inventory. I believe such options are much more cost effective than some options explored last year in conjunction with the Missile Defense Agency. With the budget, please include a timeline for deployment—I want to see the AHW contrasted with the submarine-platform approach. Additionally, I have the following questions for this year's cycle. Thank you.

What feedback have you already received from the COCOMs concerning their requirements for this capability? Is it currently incorporated in any of the Integrate Priority Lists? Who handles the process of translating these IPL priorities to what you are executing in the CPGB arena?

Answer. Two Combatant Commands, U.S. European Command and U.S. Pacific Command, have submitted high priority requirements for these capabilities in their most recent Integrated Priority Lists (IPLs). The Joint Requirements Oversight Council (JROC) conducts an annual assessment of Combatant Command IPLs through the Capability Gap Assessment. The Force Application Functional Capability Board, on behalf of the JROC, is responsible for identifying, assessing, and recommending for approval the joint military requirements for these capabilities.

Question. What have you told the COCOMs concerning the timelines for this capability and what was their response?

Answer. U.S. European Command and U.S. Pacific Command were informed through the Joint Requirements Oversight Council (JROC) Capability Gap Assessment (CGA) that certain capabilities will be fielded within the Future Years Defense Program (FYDP) 2018–2022, with others slated for fielding beyond the FYDP. The Combatant Commands concurred with the JROC CGA.

Question. How is the current CPGB program structured to provide this capability, and how do the currently ongoing efforts contribute to reaching your end goal?

Answer. The Department is on track for the Conventional Prompt Global Strike (CPGS) program to reach a Milestone (MS) A decision by the end of FY 2020, consistent with congressional direction.

In 2013, the Joint Requirements Oversight Council directed via memorandum (JROCM) that the CPGS program focus on demonstrating the feasibility of hypersonic boost-glide for a potential intermediate-range strike system independent of Service or basing/platform. The current CPGS technology maturation effort will inform the future program of record decision.

The current OSD-led CPGS program has participation from the Army, Navy, Air Force and National Laboratories from across the country. The CPGS program has established a number of Integrated Product Teams (IPTs) to investigate critical technologies relevant to potential hypersonic boost-glide weapon systems. These IPTs are buying down risk for the future CPGS capability.

The \$25 million plus-up in FY 2015 has allowed the CPGS program to move forward with a number of hypersonic technologies that have applicability to a broad range of basing and platform options. In addition, the currently planned Flight Experiment 1 in FY 2017–2018 will demonstrate advanced avionics, miniaturization of subsystems, manufacturability, and guidance algorithms.

Finally, the CPGS team is studying basing and platform options in collaboration with the Joint Staff. Selection of a basing/platform option will pace the CPGS program of record decision after the MS A decision, which will be not later than the end of FY 2020.

Question. What thought have you given to phasing the execution of the program to support the development of a conventional triad? Does this figure into your current planning?

Answer. Current Conventional Prompt Global Strike (CPGS) activities are designed to develop programmatic options to engage time-sensitive, high-value, and defended targets from ranges beyond the capabilities of existing conventional weapons or in situations where other forces are unavailable, not responsive enough, denied access, or not preferred. In this phase of development, the Department is maturing common technologies that apply across a range of operational concepts and promote coordination, communication, and data sharing across the Services and national CPGS community.

The CPGS technology maturation efforts intentionally support a broad range of basing and platform options. For instance, the CPGS Flight Experiment 1 in FY 2017–2018 will demonstrate component miniaturization, which supports accommodation of a hypersonic glide body that could be deployed on land, sea, or air platforms. Participation by the Army, Navy, and Air Force in these technology efforts, including sharing of ground and flight test data, analysis, and models and simulations, keeps the potential for capabilities across multiple basing/platforms open.

By keeping the trade space open across all potential platforms, the CPGS effort has maintained the possibility of a Family of Systems that could base on land, sea, or air platforms.

Question. Given your current approach to the problem, is there sufficient funding in the POM to execute your plan? If not, what other resources are necessary? Are you planning to a budget- or budgeting to a plan?

Answer. The Department supports the President's budget and priorities. The Conventional Prompt Global Strike (CPGS) effort has sufficient funding to achieve a Milestone A acquisition decision by the end of FY 2020, consistent with FY 2016 congressional direction. Current CPGS efforts focus on maturing basing-agnostic, hypersonic technologies that will inform future CPGS acquisition milestone decisions.

The Department's acquisition strategy to field a CPGS capability is under development and informed by ongoing technology maturation efforts and specific Warfighter requirements. As the program of record is defined, the Department will adjust POM inputs to support the CPGS development plan.

Question. What impact have our adversaries efforts in this area had on your planning and budgeting process?

Answer. The Department is monitoring other international hypersonic efforts as reported in the open media, such as China's DF-ZF and Russia's 3K22 Tsirkon systems. Our current planning is driven by the FY 2016 National Defense Authorization Act and the 2013 Joint Requirements Oversight Council direction. Per this guidance, the current Conventional Prompt Global Strike (CPGS) plan is to continue to mature hypersonic technologies utilizing a synergistic combination of modeling and simulations, ground testing, and flight testing with an eye toward supporting future acquisition decisions. Finally, we are paying close attention to all aspects of program protection.

Question. What is the CPGS office doing to increase the OPTEMPO of CPGS testing? The adversary is flying 4 times a year; we are flying once every 3 years!

Answer. The Department is monitoring other international hypersonic efforts. The Conventional Prompt Global Strike (CPGS) effort has taken a deliberate approach to technology maturation by relying on the strong ground test and modeling capabilities of the United States. In doing so, the CPGS effort acquires valuable data at significantly less cost than flight testing.

Although the CPGS effort conducts a flight test every three years, the program's OPTEMPO is much more aggressive, as evidenced by the numerous ground test activities that have already been completed (e.g., hypersonic sled tests and hypersonic wind tunnel tests).

The CPGS program is on track to achieve a Milestone A decision by the end of FY 2020, consistent with FY 2016 congressional direction and funding.

Question. Do you think the rapid fielding of this system is in line with the SCO you created?

Answer. The current CPGS plan, derived from the FY16 NDAA and the 2013 JROCM, does not call for a rapid fielding option. However, the concepts being matured under the auspices of CPGS are being shared with the SCO to enhance collaboration on potential early fielding options.

The Strategic Capabilities Office (SCO) was established to rapidly enable new roles and capabilities for existing DoD, intelligence community, and commercial systems. While the SCO explores promising concepts across all DoD missions and technical areas, including strike, it focuses on innovating with existing systems and components, rather than developing new technologies, such as CPGS.

Maintaining CPGS momentum and continuity is vitally important. The CPGS program has compiled a successful record of advancing the state of the art for CPGS technologies by coordinating efforts of many different organizations across the government, industry, government-affiliated laboratories, federally funded research and development centers, and university-affiliated research centers. The CPGS program demonstrated the feasibility of a boost-glide end-to-end missile concept capability in November 2011, led a successful warhead sled test in October 2013, and is now overseeing the next boost-glide flight experiment, designated as Flight Experiment 1 (FE-1). An integrated master schedule is in place and competitive contract awards were completed in September 2014. The CPGS program has established a strong, collaborative team and is making progress on a number of technical fronts for hypersonic flight systems.

[CLERK'S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Diaz-Balart and the answer thereto follows:]

HISPANIC SERVING INSTITUTIONS (HSI)

Question. The Department of Defense, through the Assistant Secretary of Defense for Research and Engineering (ASD(R&E)), provides grant funding for a research and education program targeted to Historically Black Colleges and Universities and minority-Serving Institutions' The program is designed to improve the capabilities of HBCU/MSI to conduct research and educate scientists and engineers in areas important to national defense.

It is my understanding that DoD began an effort to include more Hispanic-Serving Institutions through this program a few years ago. What is being done on a national scale to strategically include Hispanic-serving institutions? Can DoD provide statistics/data on HSI related DoD research? How can this committee partner with DoD to ensure HSI's have an opportunity to contribute to the national defense of our nation? How can DoD better improve the capabilities of the HSI defense related research?

Answer. The focus of these questions appears to be the research and education funding program that the Office of the ASD(R&E) administers under the authority of 10 U.S.C § 2362. Therefore, I will respond in that context, as well as in the larger context of DoD-wide activities that benefit the Hispanic population.

1. What is being done on a national scale to strategically include HSI's?

On a national scale, through outreach activities such as workshops and webinars, we encourage minority-serving institutions, including HSIs, to participate in DoD programs. These events provide information about DoD business processes, including solicitations, proposal submissions and reviews, research areas of interest, and other information to assist them in responding to DoD funding opportunities.

The HSI community routinely responds to DoD funding opportunities for which all institutions of higher education can compete. These include the Defense Univer-

sity Research Instrumentation Program and the Multidisciplinary University Research Initiative, as well as single-investigator programs. With respect to our targeted funding program, only designated minority-serving institutions (MSIs) are eligible to compete. HSIs constitute one of those eligible groups. We issue an annual solicitation and use a merit review process to assess which applications are most technically meritorious.

2. Can DoD provide statistics/data on HSI related DoD research?

Each year, DoD prepares a report for the White House Initiatives Offices (within the U.S. Department of Education) that provides comprehensive data on our funding experience—research and other types of funding—and additional activities with HSIs. We obtain the direct funding information from our systems that feed USASpending.gov. In FY 2014, the most recent year for which comprehensive data are available, DoD awarded an aggregate \$81.6 million to HSIs. Of that amount, \$58.8 million was for research and development activities. The impact of other DoD activities that benefit HSIs, e.g., campus visits and technical assistance workshops, is more difficult to quantify. In addition, DoD has a plan, developed pursuant to Presidential Executive Order 13555, “White House Initiative On Educational Excellence For Hispanics,” that includes Science, Technology, Engineering, and Mathematics (STEM) activities at all educational levels as well as DoD workforce diversity in order to benefit the Hispanic population more broadly.

3. How can this committee partner with DoD to ensure HSIs have an opportunity to contribute to the national defense of our Nation?

The committee can partner with DoD in encouraging HSIs to apply under the various basic and applied research opportunities (e.g., research project funding, equipment funding, scholarships, fellowships, and internships) that are available annually. The committee can also assist in increasing HSI graduates’ awareness of DoD as a potential employer for STEM and other disciplines.

4. How can DoD better improve the capabilities of the HSI defense related research?

Primarily through implementation of our STEM strategic plan and our current efforts to respond to congressional direction, DoD intends to place emphasis on increasing the capabilities of MSIs, including HSIs, to conduct defense-related research and provide STEM education. Through the STEM strategy required by the FY 2016 National Defense Authorization Act for Fiscal Year 2016, Public Law 114–92, and the report to Congress requested by the House Report 114–139, accompanying H.R. 2685, the DoD Appropriations Bill, 2016, we will be engaged over the next few years in efforts to increase the participation of underrepresented minorities in STEM activities, with one focus being MSIs and their students. In addition, DoD will continue its program to provide equipment needed at HSIs to strengthen their STEM programs and research capacity to carry out research related to the DoD mission.

[CLERK’S NOTE.—End of questions submitted by Mr. Diaz-Balart. Questions submitted by Ms. McCollum and the answers thereto follow:]

MATERNITY LEAVE

Question. Our women and men in uniform are the most important resource that we have and we must build a fighting force that retains the investments we have made in our service members.

Can you elaborate on the Department’s decision to reduce the Navy’s maternity leave benefit from 18 weeks to 12 weeks?

Answer. The legal basis for the maternity leave expansion is rooted in the Department’s authority to grant convalescent leave. Convalescent leave isn’t technically leave, but rather it is the Service member’s place of duty to ensure they’re fully recovered from childbirth and ready to resume their duties.

The maternity leave policy creates additional ancillary benefits for the Department by potentially improving recruiting and retention. Given that we retain women at a 1/3rd lower rate than we do men at 10 years of service, the expected ancillary benefit of improved retention is very important in determining what would be an appropriate maternity leave period, the readiness of individual Service members had to be weighed against overall unit readiness, rather than retention goals.

Careful consideration of all these factors, and the advice of senior uniformed leadership, led the Secretary of Defense to determine 12 weeks was the most appropriate standard for maternity leave across the Department.

BASE REALIGNMENT AND CLOSURE (BRAC)

Question. Within the proposed FY2017 budget, DoD requests authorization to authorize a new BRAC round in 2019 as well as \$4 million for planning and oversight. In previous years, the DoD asked for a BRAC round in 2017 that was rejected by the authorization committees and by amendments offered on the Floor to deny funding for any planning for BRAC activities.

Secretary, in your proposed budget for FY 2017, you include \$4 million to begin planning for a new BRAC round in 2019. The last BRAC was conducted in 2005 and has been characterized as more of a consolidation BRAC than one healed for efficiency. Why does the Department need to conduct a BRAC? How much would the BRAC save for future budgets? What percentage of the budget is currently spent on unused facilities and maintenance?

Answer. The Department has been clear that it needs to maximize its defense capabilities within its constrained budgets. The Department has parametrically estimated that it has 22 percent excess capacity. Elimination of excess infrastructure through an analytical, transparent, and apolitical process such as base realignment and closure (BRAC) is the best way to achieve critical savings while minimizing operational impact. We estimate that a BRAC 2019 round will save around \$2 billion annually which would come primarily from closing unnecessary installations, based on the 1993 and 1995 rounds. The Department does not track spending on unused facilities and maintenance; however, every dollar spent on unnecessary facilities is a dollar wasted. Significant savings are generated by closing installations in their entirety, not by hollowing out bases, which will inevitably result absent BRAC authority.

[CLERK'S NOTE.—End of questions submitted by Ms. McCollum. Questions submitted by Ms. Kaptur and the answers thereto follow:]

STATE PARTNERSHIP PROGRAM (SPP)

Question. What does this budget do to facilitate growing the State Partnership Program? What additional authorities would you need to expand the SPP mission to include humanitarian missions, counter messaging efforts, and to work with civilian populations in the partner countries? What effort is there to capitalize on the immense personal ties to this region and capabilities in the U.S. to combat Russian subterfuge and propaganda, particularly in the area of social media and television?

Q26.1: What does this budget do to facilitate growing the State Partnership Program?

In accordance with the National Defense Authorization Act (NDAA) for Fiscal Year 2016, the Undersecretary of Defense for Policy and the Undersecretary of Defense (Comptroller) are undertaking a feasibility study on the establishment of a centralized funding account to support the State Partnership Program (SPP). In the meantime, SPP activities are supported by a variety of funding streams, including U.S. Army and U.S. Air Force funds allocated for that purpose, along with sources that geographic combatant commanders can access to respond to their specific security cooperation objectives. As such, potential SPP growth would be supported by a combination of resources made available through these various funds.

Q26.2: What additional authorities would you need to expand the SPP mission to include humanitarian missions, counter messaging efforts, and to work with civilian populations in the partner countries? What effort is there to capitalize on the immense personal ties to this region and capabilities in the U.S. to combat Russian subterfuge and propaganda, particularly in the area of social media and television?

The National Guard utilizes existing Department of Defense legal authorities to engage in humanitarian assistance/disaster response missions. Examples include the Overseas Humanitarian, Disaster, and Civic Aid Appropriation (OHDACA) fund, Humanitarian Assistance, Transportation of Humanitarian Relief Supplies to Foreign Countries, and Foreign Disaster Assistance. The SPP is not the appropriate tool to conduct overt intelligence collection or military information support operations such as counter-messaging, or for other efforts to influence civilian populations.

SURVIVOR BENEFIT PROGRAM AND DEPENDENCY & INDEMNITY COMPENSATION

Question. Under current law, a required offset in payment between her Dependency and Indemnity Compensation and her Survivor Benefit Plan annuities, prohibits widows and widowers of active duty service members from receiving the full amount of both.

Should this issue be considered as we look to reform military compensation? What can DoD do to address this offset?

Answer. The Department has consistently opposed proposals to eliminate the offset between Survivor Benefit Plan (SBP) annuities and Dependency and Indemnity Compensation (DIC) at government expense for the following reasons:

Duplication of benefits: The entitlements are paid by separate departments for the purpose of providing a continuing annuity to the survivors of military members or former members. Both benefits are subsidized by the federal government.

Complementary programs: DIC is a flat \$1,254 per month, plus \$311 for each dependent child (2016). SBP is 55 percent of an elected base amount not to exceed retired pay. The existing entitlement, with offset, ensures that survivors receive the higher value. This sets DIC as a floor for more junior members while allowing more senior members the potential of a larger SBP amount with all the benefits from the tax free aspect of DIC.

Equity: Allowing concurrent receipt of SBP and DIC without offset would create a group of survivors receiving two government-subsidized survivor annuities. Survivors of most military retirees and survivors of veterans who did not serve to retirement would receive only one.

High cost: Eliminating the SBP offset for all survivors entitled to DIC would cost the Military Retirement Fund more than \$7 billion over 10 years.

SYRIA

Question. How does the DoD define victory in Syria and what does it look like?

Answer. We collectively achieve victory as a coalition when ISIL no longer poses a threat to the U.S., our allies, and our partner nations. Specifically, the coalition must deny ISIL safe haven, effectively degrade ISIL's command and control by removing key leaders from the battlefield, and dismantle the facilitation networks that allow ISIL to fund operations and move resources freely in Iraq, Syria and beyond.

Success in Syria requires working with our Turkish partners to secure the northern border of Syria, supporting vetted Syrian opposition forces who are willing to fight ISIL, and conducting strikes to attack core ISIL's command and control and sources of revenue, while disrupting their ability to plan and conduct external attacks against the homeland, our partners, and our allies.

AFGHANISTAN

Question. During the hearing, GEN Dunford stated our "national interests in Afghanistan are to maintain an effective counter-terrorism platform and partner in that part of the world."

How does this change the scope of our operations in Afghanistan? Is this in accordance with the original authority authorizing the use of force in Afghanistan? Does this imply an enduring force in Afghanistan to maintain a counter-terrorism platform?

Answer. The continued threat requires that we maintain an effective counterterrorism (CT) partner and platform in Afghanistan. This does not represent a change to the scope of U.S. military operations. The U.S. is currently conducting CT operations that will continue as part of the strategic partnership with Afghanistan in accordance with the Authorization to Use Military Force (AUMF) to defeat Al Qaeda, and including the Islamic State in the Khorasan Province.

ENERGY

Question. Executive Order 13693, set goals of 25% renewable energy production and 15% renewable energy consumption by 2025. Where are you currently with these goals? What in the budget address achieving these goals?

Answer. Executive Order 13693, "Planning for Federal Sustainability in the Next Decade," established new targets for the production of clean energy and the consumption of renewable energy. Reporting on progress towards meeting these new targets will begin after FY 2016 has ended.

For FY 2015, the Department was subject to two legislatively mandated renewable energy goals:

- 1) 10 USC 2911(e): produce or procure 25 percent of electricity consumption from renewable sources by FY2025 and
- 2) Energy Policy Act (EPA) 2005: consume 7.5 percent electricity from renewable sources by FY2015.

DoD met the FY 2015 target milestone for 10 USC 2911(e) goal, achieving 12.4 percent against a target of 12 percent, but failed to meet the EPAct 2005 goal, achieving just 3.6 percent against a target of 7.5 percent.

The Department spends very little appropriated funding on acquiring renewable energy facilities. Typically, DoD pursues small-scale distributed renewable energy (e.g. rooftop solar equipment, solar heaters, ground source heat pumps) only when the business case supports it. For larger-scale renewable energy projects, DoD is leveraging third-party financing in which the Department allows a renewable energy developer to construct, own, operate and maintain the renewable energy resource. In turn, the Department purchases the renewable energy generated at or below the cost of what DoD would pay for conventional power. DoD does not make any capital investment in the renewable energy project itself. When economically feasible, renewable energy projects are being built with micro-grid-ready applications that can enable the provision of continuous power in the event of a disruption. This redundant, secure, and reliable power from renewable generation significantly reduces the risk of blackouts or other power disruption events and enables the DoD to continue to carry out its mission.

F-35A

Question. The budget calls for a reduced purchase of F-35A's for the Air Force. Will this impact fielding of the F-35 to the National Guard?

Answer. While the number of F-35As was reduced in the FY 2017 President's Budget, the Air Force's commitment to the program of record of 1,763 F-35As remains unchanged. The reduced purchase may slow the National Guard's transition to the F-35A, but it will not change the planned allocation of F-35As assigned to the National Guard.

[CLERK'S NOTE.—End of questions submitted by Ms. Kaptur.]

TUESDAY, MARCH 1, 2016.

**FISCAL YEAR 2017 UNITED STATES NAVY AND MARINE
CORPS BUDGET OVERVIEW**

WITNESSES

HON. RAY MABUS, SECRETARY, UNITED STATES NAVY
ADMIRAL JOHN M. RICHARDSON, CHIEF OF NAVAL OPERATIONS,
UNITED STATES NAVY
GENERAL ROBERT B. NELLER, COMMANDANT, UNITED STATES MA-
RINE CORPS

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. The committee will come to order, everybody can take their seats, please. Good morning, everybody, the committee will come to order. This morning, the subcommittee continues a series of open defense posture and budget hearings with our military services, our combatant commands, and other major components of our Armed Forces. Today we focus on the fiscal year 2017 budget request, and the posture of the Navy and our Marine Corps.

Joining us this morning is Secretary of the Navy, Ray Mabus, who will be testifying before this committee for the final time. I understand that Secretary Mabus is the longest-serving Secretary since World War I. I stand ready to be corrected, but it is a long time in grade, and we thank you for your very honorable service, not only to your home State, but to the Nation and to the Navy and the Marine Corps.

We also welcome, for the first time, Admiral John Richardson, Chief of Naval Operations; and General Robert Neller, the 37th Commandant of the Marine Corps. On all of our behalves, we thank you for the remarkable job you do, and the men and women who you support and lead across the Nation and across the world. We are enormously proud of all of you and your leadership responsibilities.

In this time of rapidly expanding threats to our national security, our goal in these hearings, and in our fiscal year 2017 bill is to make sure our sailors and Marines and their families have everything they need. Every day brings another report regarding China's attempt to assert itself in the Western Pacific. They are building ships, submarines, underwater submarine pens, their naval militia is increasing, and they are designing cutting-edge weapons at an alarming rate. All of these things, quite honestly, simultaneously.

In the South China seas, they construct runways, air defense radar systems, and missile batteries on some of these disputed islands. They are bent on denying us access to airspace and challenge us, literally, at every turn. Their actions test our rules of engagement on a regular basis.

And then there is the regime in North Korea, which continues to illegally launch satellites and test missiles and nuclear systems. These provocative actions taken by North Korea undermine global security. Likewise, Iran is building naval capacity, its sophisticated antiship missiles to menace our forces in the Persian Gulf.

At the same time, a newly-aggressive Russia expands and modernizes its surface and submarine forces. These fleets are now more active in the Atlantic—we have heard a lot about that in this committee—and in the Mediterranean than any time since World War II. They are also expanding a naval base to allow new ballistic missile submarines in the Northern Pacific.

With all of these current and emerging threats, and a new pivot to Europe, we still have yet to fully implement our Pacific strategy. While such a pivot surely requires a greater emphasis on the Navy and Marine Corps, we continue to see budget requests that only marginally provide for an increased naval presence in the Pacific.

As was true last year, all of us remain concerned with the core Navy, ships and shipbuilding, and the shipbuilding industrial base. And after much talk of a 313-ship Navy, today the Navy has 272 deployable ships. For fiscal year 2017, your goal is to have 287 deployable ships. I continue to ask whether this is enough. Are we building enough ships and submarines to decisively defend against and deter our enemies in all corners of the globe, including the Arctic? You have heard me say this before: When it comes to ships, numbers matter. Yes, quantity has a quality all of its own.

In addition to the quantity of ships, all of us are concerned with the mix of ships, submarines, surface combatants, amphibians, support ships, and how they are operated and maintained. The logistics tail is important, as is what the tyranny of distance in the Pacific does to their lifespan.

In this area of budget constraints, we need to make sure that we are making every dollar count by investing in the correct ships, in the correct numbers, at the correct time. We also need to ensure that we are investing in the right weapon systems and advanced technology for the immediate threats we face, not just future conflicts. The strategy of playing catchup will only encourage more dangerous and aggressive behavior from our adversaries.

So I need to say right up front, we all need to work extremely closely together to ensure the funding you are appropriated is sufficient to take care of our sailors and Marines and maintain their readiness at the highest possible level.

On behalf of all of our committee members, I ask you, again, to convey to all of our sailors and Marines, our deep gratitude for their skill, determination, sacrifice, and all the things their families face while they are away on deployment.

We have much to talk about this morning. F-35, littoral combat ships, cruisers readiness, and end strength, to name just a few issues. We look forward to your comments and an informative question-and-answer session. We have a number of members here, and more are expected; quite a lot of time commitments with other hearings. But we are keenly interested and supportive of what you are doing. Let me turn to my good friend, the ranking member, Mr. Visclosky for any comments he may wish to make.

OPENING REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Thank you very much, Mr. Chairman. I think the chairman set the table very well for us. I appreciate his holding the hearing. And gentlemen, I thank each of you for your service and for your testimony today and certainly look forward to the interchange. Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Secretary, the floor is yours, welcome.

SUMMARY STATEMENT OF SECRETARY MABUS

Secretary MABUS. Thank you, Mr. Chairman. Chairman Frelinghuysen, Ranking Member Visclosky, members of the committee, thank you for the opportunity to be here with you today to discuss the Department of the Navy. As the chairman pointed out, this is the first testimony before the committee for the Chief of Naval Operations, Admiral Richardson, and the Commandant of the Marine Corps, General Neller.

In the time since they took these positions, I have had the privilege of their frank, their professional, and their invaluable counsel. They are officers of the highest caliber, who expertly lead our Navy and Marine Corps during ever-tightening fiscal constraints and an increasingly dynamic threat environment.

This is my eighth time, which may be a record, and I am not sure anybody wants it, and my last to appear before you. Thank you for all of your courtesies to me and thank you for all that you have done for the Department of the Navy. For me, leading the Department of the Navy is the greatest honor of my life. I couldn't be more proud of our sailors, our Marines, our civilians. I am also proud of the many steps we have taken and the changes we have made to try to ensure working with Congress that the Navy and Marine Corps in the future remains the greatest expeditionary fighting force the world has ever known.

First and foremost, we continue to provide presence. That unrivaled advantage, all and above, beneath, and from the seas, gives our leaders options in times of crisis, reassures our allies, deters our adversaries. There is no next best thing to being there. Maintaining that presence requires gray hulls on the horizon. And while there has been discussion about posture versus presence, the simple fact is that for the Navy and the Marine Corps, our posture is presence.

In every case, from high-end combat to irregular warfare, to disaster relief, our Naval assets get on station faster, we stay longer, we bring everything we need with us, and since we operate from ships, which are sovereign American territory, we can act without asking any other nation's permission.

That is the U.S. Navy and Marine Corps, America's away team doing its job across the globe. Resourcing that presence depends on four fundamentals: people, our sailors and Marines; platforms, our ships and aircraft; power, how we use energy and make us better warfighters; and partnerships, our relations with our international allies, with industry, with the American people.

When I took this post almost 7 years ago, we had an incredibly committed and capable force. But each of those four Ps was under pressure. Our people were under stress from a high operational

tempo and extended deployments; our fleet was shrinking; and too many of our platforms were costing too much. Our use of power was a vulnerability. We were losing too many Marines guarding fuel convoys in Afghanistan, and volatile oil prices were stressing a lot of areas, particularly training. And our partners were seeking reassurance of our sustained engagement.

Now our people, platforms, power, and partnerships are stronger than they have been in many years, enabling us to provide that invaluable presence. And here is why: people. We have instituted the most sweeping changes in personnel policy in many years. Promotions are based now more on merit and not tenure. Commanding officers are empowered to meritoriously promote more sailors and Marines. We have made careers paths more flexible. One example is, thanks to congressional action, the Career Intermissions Program, which has been greatly expanded.

We have also increased professional development, educational opportunities that bring America's best ideas to the fleet by adding 30 graduate schools slots through our Fleet Scholars Education Program and sending high-performing sailors on SECNAV industry tours to great American companies, like FedEx and Amazon, where they learn private-sector best practices that can be applied when they return.

We are absolutely committed from the leadership to the deck plates on combating the crime of sexual assault, and the tragedy of suicide. We have revamped physical fitness assessments, making them more realistically aligned to the jobs that we do, and we have promoted healthier lifestyles through better nutrition and a culture of fitness.

All billets in both services are now open to women. Standards will absolutely not be lowered. But anyone who can meet the standards will be able to do the job. This will make us a more combat-effective force. We are trying to mitigate stress on sailors and Marines and their families by making deployments more predictable, extending hours for childcare, and creating co-location policies. To tap into the innovative culture inherent in the Navy and Marine Corps, we established task force innovation, which takes good ideas from deck plate sailors and field Marines through our online crowd sourcing platform, to recognize, fund, and rapidly move those ideas fleet-wide.

On platforms, we have reversed the decline in ship count, and thanks to Congress, and, in particular, to this committee. Our Navy will reach 300 ships by 2019, and our assessed and validated need of 308 ships by 2021. In the 7 years before I took office, the Navy contracted for 41 ships. In my 7 years, we have contracted for 84. And we have done so while increasing aircraft purchases by 35 percent, all with a smaller top line.

Practices like firm, fixed-price contracts, multiyear buys, stable requirements, have driven down cost on virtually every class of ship. We are also in the process again, thanks to Congress and thanks to this committee, of recapitalizing nearly every Naval aviation program. We have expanded unmanned systems, on, under, and above the sea, and increased focus by establishing a Deputy Assistant Secretary of the Navy for Unmanned, and an Office of Unmanned Warfare Systems on the CNO staff, known as N99, spe-

cifically designed to coordinate all unmanned programs. We are also implementing advanced energy technologies like electromagnetic rail guns and lasers.

Power. To increase our lethality and operational flexibility, I set a goal of having 50 percent of sea and shore-based energy derived from alternative sources by 2020, competitive with the price of conventional power. We met that goal ashore by the end of last year. At sea, after demonstrating the Great Green Fleet at RIMPAC in 2012, we deployed it for routine operations a few weeks ago. Energy efficiency has been greatly increased on our bases, and at sea. Ultimately, since 2009, both the Navy and Marine Corps have achieved a large drop in oil consumption.

And, finally, partnerships. I have traveled nearly 1.2 million miles to 144 different countries and territories, visiting sailors, Marines, allies, and partners. Twelve of my trips have been to Afghanistan, where I have visited every Marine-forward operating base in Helmand Province to be with our forward-deployed men and women. And I have actively engaged with our allies and friends around the world to build and sustain a network of navies with whom we train, operate, and trust. And we have worked in partnership with Congress to fulfill the constitutional mandate to provide for and maintain a Navy. As a result, our sailors and Marines are there for us at home and abroad, around the globe, around the clock.

As George Washington once said, "It follows then as certain as that night succeeds the day that without a decisive Naval force, we can do nothing definitive and with it everything honorable and glorious." Thank you, Mr. Chairman.

[The written statement of Secretary Mabus follows:]

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RELEASED BY THE
HOUSE SUBCOMMITTEE ON DEFENSE,
COMMITTEE ON APPROPRIATIONS

STATEMENT OF
THE HONORABLE RAY MABUS
SECRETARY OF THE NAVY
BEFORE THE
HOUSE SUBCOMMITTEE ON DEFENSE, COMMITTEE ON APPROPRIATIONS
ON
1 MARCH 2016

NOT FOR PUBLICATION UNTIL
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HOUSE SUBCOMMITTEE ON DEFENSE,
COMMITTEE ON APPROPRIATIONS

Chairman Frelinghuysen and Ranking Member Visclosky, members of the Committee, thank you for the opportunity to discuss the readiness and posture of the Department of the Navy. With Chief of Naval Operations John Richardson and Commandant of the Marine Corps Bob Neller, I have the great privilege of representing the Sailors and Marines who serve our nation around the world, the civilians who support them and all of their families.

This is the first testimony before this committee for Admiral Richardson and General Neller in these positions. In the time since they took these critical posts, I have had the privilege of their frank, professional and invaluable counsel. They are officers of the highest caliber who expertly lead our Navy and Marine Corps during ever-tightening fiscal constraints and an increasingly dynamic threat environment.

This is my eighth time, and my last, to appear before you. For me, leading the Department of the Navy is the greatest honor of my life. I could not be more proud of our Sailors, Marines, and civilians. I'm also proud of the many steps we've taken and changes we've made to ensure that the Navy and Marine Corps remain as they have been for over 240 years as the greatest expeditionary fighting force the world has ever known

This statement, together with those provided by Admiral Richardson and General Neller, presents to you and to the American people an overview of the Department of the Navy and highlights our priorities as we move forward with the Fiscal Year 2017 (FY17) budget process. As the Secretary of the Navy, I am responsible for recruiting, training, and equipping the Sailors, Marines, and civilians who spend every day working to defend the American people and our national interests.

Every year, as we review our current posture, we must ask ourselves, as a Department, as a military, and as a nation, how to balance our national security demands. We face an increasing array of threats, conflicts and challenges around the globe, even as our fiscal and budgetary situation continues to strain resources. Consistently, when a crisis occurs, the leaders of this country want immediate options, so they ask for the Navy and Marine Corps, for our carrier strike groups and our amphibious ready groups, for our Sailors and Marines, for our presence. With 90 percent of global trade traveling by sea, 95 percent of all voice and data being transferred under the ocean and more than 80 percent of the world's population living within 60 miles of the sea, there is no question that now, more than ever, we are living in a maritime century.

The Value of Presence

What our Navy and Marine Corps uniquely provide is presence - around the globe, around the clock - ensuring stability, deterring adversaries, and providing the nation's leaders with options in times of crisis. We are "America's away team" because Sailors and Marines, equally in times of peace and war, are deployed around the world to be not just in the right place at the right time but in the right place all the time. In every case, from high-end combat to irregular warfare to disaster relief, our naval assets get on station faster, we stay longer, we bring whatever we need with us and, since we operate from our ships, which are sovereign American territory, we can act without having to ask any other nation's permission. While there has been discussion about posture versus presence, the simple fact is that for the Navy and Marine Corps, our posture is presence.

For more than seven decades, Navy and Marine Corps presence has kept international sea lanes open around the world. For the first time in history, one nation - America - is protecting trade and commerce not just for ourselves and our allies but for everyone. Today, \$9 trillion in goods are traded by sea annually, supporting 40 million jobs in the U.S. alone and benefiting nearly every consumer on earth. These statistics make it clear that the health of the world's economy depends in large part on the United States Navy and Marine Corps.

The security and stability of the international system of trade and finance is tied irrevocably to the free movement of goods and data across, above and under the sea, and is more than just a military concern. It impacts every American in the prices we pay for goods and services and the very availability of those goods and services. While the Navy's activities often take place far away and out of sight of most citizens, the impact of our global naval presence isn't a theoretical construct; its effects are palpable throughout American life.

The economic benefit is just one that comes from our Sailors and Marines doing their job across the globe. That ubiquitous presence reassures our allies and deters our adversaries. And, if conflict comes, we will fight and win. Our presence is an unrivaled advantage that we provide our nation. There is no "next best thing" to being there. Maintaining that presence requires gray hulls on the horizon.

With each year's budget decisions, we determine what the future Navy and Marine Corps will look like. Just as the Fleet and Corps we have today are the result of decisions made a decade ago, so will tomorrow's Fleet and Corps be a result of the decisions we make today. For this

reason, we have to balance the needs of our Navy and Marine Corps today with those of our nation tomorrow.

Our combatant commanders understand the critical expeditionary capability the Navy and Marine Corps team brings to the fight. Whether we are conducting security cooperation around the world, deploying Marines in response to a humanitarian crisis or launching strikes from our carriers, it is clear Navy and Marine Corps presence provides great value to our decision makers and our nation. The emergence of a diverse set of challenges, including Russia, North Korea, China, Iran and ISIS demands continued emphasis on our Naval and expeditionary forces. We absolutely cannot afford to forfeit the capabilities of our future maritime power and superiority.

Around the Globe, Around the Clock

You only need to look around the world to see our Navy and Marine Corps are first on-station and demonstrate an instrumental and prominent role in our national security strategy.

For the first 54 days of the air campaign against Islamic State militants in Iraq and Syria, the only strikes came from Navy F/A-18 Hornets off USS GEORGE H.W. BUSH in the Arabian Gulf because land-based fighters could not participate until host nations approved.

During a 10-month deployment ending in June 2015, USS CARL VINSON Strike Group conducted 12,300 sorties, including 2,383 combat missions against Islamic State of Iraq and Syria (ISIS).

The operational tempo of Naval Special Operations Forces (NAVSO) remains high, as they continue operations in the Middle East, Horn of Africa, and Central Asia. NAVSO is manning the Combined Joint Special Operations Task Force-Iraq and deploying forces to Afghanistan.

In March 2015, USS GARY intercepted a suspected narcotics-trafficking vessel off the coast of Central America and seized 5,200 kilograms of cocaine.

In July 2015, USS PORTER entered the Black Sea to reassure NATO allies of our commitment to regional stability by conducting naval exercises with ships from 30 different nations including Spain, Portugal, France, Turkey, Greece and Bulgaria.

Last fall, as a visible demonstration of our commitment to maintaining freedom of navigation for everyone, USS LASSEN patrolled the Spratly Islands and nearby artificial reefs in the South China Sea. USS CURTIS WILBUR conducted similar freedom of navigation operations by patrolling near the disputed Triton Island earlier this year.

When tensions rose in Yemen last summer, Marines embarked with Sailors onboard Navy craft to shore up security and surveillance in surrounding waters in preparation for a potential crisis.

The 31st Marine Expeditionary Unit (MEU) deployed to Saipan to provide Defense Support to Civil Authorities after Typhoon SOUDELOR killed 30 people and displaced 150,000 others in the Commonwealth of the Northern Marianas.

Within 40 hours of President Obama's order, a Special Purpose Marine Air-Ground Task Force deployed Marines, Sailors, aircraft and equipment to Liberia to respond to the Ebola crisis, providing critical airlift and surgical capability as part of U.S disaster relief efforts.

Maritime presence has been a tenet of our democracy since its inception; the founding fathers wrote in the Constitution that Congress is authorized to "raise" an Army when needed, but mandated it "maintain" a Navy. Maintaining our great Navy and Marine Corps is what assures Americans at home, our friends and allies, as well as our adversaries that we are ready to respond when called upon to any crisis, anywhere.

Early on in my tenure as Secretary, I outlined four principles that enable our Navy and Marine Corps' to sustain their global presence. They are People, Platforms, Power and Partnerships. Those have been, and continue to be, the key factors in assuring the capability, capacity and success of our naval services, which is why they have been, and will remain, my top priorities.

People – Sustaining the World's Most Formidable Expeditionary Fighting Force

The Sailors, Marines, and civilians serving today are the best force we've ever had. But for more than a decade we asked a lot of everyone, because unlike other services, we deploy equally in peacetime and wartime. There are no permanent homecomings for Sailors and Marines. Despite all we've asked, they have performed magnificently. We've taken steps to maintain the health and resilience of our force across every facet of the Department. We have addressed issues like operational readiness levels, personal well-being for our people and their families, creating more options for career flexibility, opening new slots for graduate education, improving our advancement process, and promoting equality of opportunity. We have made the Navy and

Marine Corps stronger, focused not only on retaining the incredible expertise and professionalism that resides within these two services, but also that draws from the broadest talent pool America has to offer.

Our Sailors and Marines make Navy and Marine Corps presence possible by operating the platforms, harnessing the power, and building the partnerships necessary to fulfill our national security strategy. Seven years ago when I took office, we had a committed and capable force, but our people, and our platforms, were under stress from high operational tempo and extended deployments.

To return stability to our Sailors, Marines, their families, and to our maintenance cycles, one of our first priorities was to develop and institute the Optimized Fleet Response Plan (OFRP). This is a program that the Navy is using to schedule and plan our deployments and the maintenance of our platforms. Entering its third year since implementation, OFRP is beginning to fully demonstrate its advantages to the Fleet. USS EISENHOWER Carrier Strike Group and USS MAKIN ISLAND Expeditionary Strike Group will be first to deploy later this year entirely under the OFRP. Our men and women know there is no way to completely eliminate the unexpected, because events around the world can and do take on a life of their own. However, increasing the predictability of deployments will help improve resilience in our Sailors and Marines and their families and also has the added benefit of helping us properly support our maintenance requirements and readiness posture.

Under the OFRP, we continue to meet all operational commitments, and Sailors, Marines, and their families are giving us positive feedback on this and other initiatives like increases to

Hardship Duty Pay – Tempo (HDP-T), a pro-rated additional pay that kicks in when a deployment extends beyond more than 220 consecutive days, and Career Sea Pay, paid to those who have spent a total of three years at sea and Career Sea Pay-Premium for those E-6 and above who have spent a total of eight years in sea-going assignments. These incentives reward those who take the hard and challenging billets at sea, which form the backbone of our operations.

Taking care of our people is about more than just operational stability. Through our 21st Century Sailor and Marine Initiative, implemented in 2012, we have provided a holistic approach to assuring we have the healthiest, fittest, and most resilient force in the world. We have focused on helping our Sailors and Marines maximize their personal and professional readiness by assisting them and their families with the mental, physical and emotional challenges of military service. Eliminating the stovepipes that existed between many of the programs designed to support our people allows us to better address issues like suicide and sexual assault in a comprehensive way that protects our Sailors and Marines and makes them stronger.

In suicide prevention, we are continuing to accelerate our efforts in 2016 by becoming more assertive on early recognition, education and open dialogue to promote climates supportive of psychological health. We are expanding our Ask, Care, Treat (ACT) initiative that focuses on training, counseling, and intervention. To date, over 40,000 Sailors have received training via Navy Operational Stress Control (OSC) courses. And our partnerships with the Navy and Marine Corps Public Health Center, the Defense Suicide Prevention Office, and the Bureau of Navy Medicine and Surgery have maximized our public health approach to suicide prevention. Furthermore, we are adding to the nearly 800 Suicide Prevention Coordinators (SPC) trained in

2015, enhancing local suicide prevention efforts at the deckplate by having a qualified program advocate at nearly every command.

Sexual assault is a crime with devastating impacts to the Navy and Marine Corps. Every Sailor and Marine deserves a working environment respectful of all, completely intolerant of sexual assault, and supported by programs of prevention, advocacy, and accountability. So we've implemented many actions to attack this insidious threat. While there is still work to be done, we have instituted an increasingly effective Sexual Assault Prevention and Response program and Victim's Legal Counsel, which together encourage increased reporting and provide critical support to those who come forward, and I am the only Service Secretary who has my Sexual Assault Prevention Response Officer report directly to me. We are also taking steps to prevent and respond to perceptions of retaliation or ostracism on the part of the courageous people who report these crimes-- whether by the chain of command or peers.

Our Sexual Assault Prevention and Response programs are many and varied. Through our InterACT Bystander intervention training we've educated more than 52,000 Sailors and Marines at 220 training events on how to stop a potentially dangerous scenario from leading to an assault. Our Navy Chaplain Corps has teamed with clinicians to establish CREDO, a 48-hour retreat event with workshops focused on teamwork, community building, personal resiliency and reconciliation. In-person education is augmented by numerous interactive training tools available to all Sailors and Marines ashore and afloat. But no matter how much we've done and continue to do, we will not consider our mission a success until this crime is eliminated.

Protecting our Department from instability and destructive and illegal behavior is important, but equally important is promoting healthy lifestyles that result in a more capable and ready fighting force. Our high operational tempo demands a year-round culture of fitness. So we have completely revamped the Physical Fitness Assessment to focus on producing warfighters, capable of accomplishing any mission any time, a measure that not only improves readiness but reduces overall medical costs. To set Sailors and Marines up for success, we opened a 24-hour a day, seven-day a week gym on every base worldwide and we began issuing the Navy Fitness Suit, a uniform item the Marines already have. Sailors earn Fitness Suit patches for outstanding performance, and those who maintain that level of performance over three cycles receive the “Outstanding Fitness Award.”

To complement physical training with well-balanced diets, we’ve increased efforts to provide nutritious food options to Sailors and Marines at sea and ashore. In 2012, the Marines introduced the “Fueled to Fight” nutrition program, designed to promote a healthy lifestyle by providing more nutritious food choices. At base dining facilities, a labeling system identifies healthier options and enhances the Marine’s ability to make a healthy choice. The Navy also created their version, called, “Fuel to Fight,” launched by the SEALs at Naval Amphibious Base Little Creek, which increases the availability of lean-proteins, vegetables, and complex carbohydrates in our galleys. We are further developing the concept at one sea-based and one shore-based unit this year and will implement it Fleet-wide in 2017.

Part of overall health is emotional health. In order for Sailors and Marines to remain focused on the mission, they should not be distracted by concerns about their home life. The Department of the Navy takes very seriously its commitment to support our Navy and Marine Corps families,

and we have taken actions to make service more family friendly. We established 24/7 Child Care Development Centers at three Fleet concentration areas and increased access to childcare by a total of four hours, two hours on either side of the previously existing timeframe, at all locations.

And, in July of last year, I tripled paid maternity leave from 6 to 18 weeks, a period subsequently reduced to 12 weeks by the Secretary of Defense. Meaningful maternity leave when it matters most is one of the best ways that we can support the women who serve our country. This flexibility is an investment in our people and our Services, and a safeguard against losing skilled service members. In our line communities, for example, we were losing about twice as many female service members as male, most leaving between 7-12 years of service. We believe extending maternity leave will save money and increase readiness in the Department of the Navy by keeping people in.

Under a Congressional authorization, we piloted the Career Intermission Program (CIP) beginning in 2009. CIP allows a Sailor or Marine to take up to three years off, with a two-year payback for each year taken. When they return they compete against people who have been on active duty the same amount of time, as opposed to those from their previously assigned year-group. So career flexibility does not come at the cost of advancement potential. Our early participants have successfully rejoined the Fleet and, again due to Congressional action, we are expanding this program to help retain talented Sailors and Marines.

While we have taken steps to provide additional services and career flexibility so Sailors and Marines can address their needs personal needs, we have also aggressively enhanced

professional development opportunities to strengthen our all-volunteer force. In a world increasingly dependent on inter-service, inter-agency, and international cooperation, that development takes place over the entire span of one's career. To broaden background diversity in our officer corps, we re-opened NROTC units at Harvard, Yale, Columbia and Princeton after a 40-year hiatus.

We also established the Fleet Scholars Education Program, adding 30 new graduate school positions allocated by warfighting commanders to eligible officers. Our first participants are now studying at Harvard, Dartmouth, and Yale.

Outside the classroom, we recognize the value that private sector ingenuity adds to American innovation, so we have also sent officers to work at places like FedEx and Amazon as part of SECNAV Industry Tours. Those who participate in these programs are our very best, and, in return for their experience, we expect them to bring their knowledge back to the Fleet and to continue to serve under the requirement that for every month spent away, a Sailor or Marine owes three months back.

We want people to take advantage of these and other opportunities, and we want them to commit to a career beyond any prescribed service obligation. That means creating an advancement system based primarily on merit, not tenure. In the Navy, we removed arbitrary "zone stamps" from officer promotion boards this year which can unnecessarily create bias. Additionally, for enlisted, we increased the number of advancement opportunities available to Commanding Officers to spot promote their best and brightest Sailors via the Meritorious Advancement Program. Next year, we expect those numbers to grow even further.

In the Marine Corps we are revamping our manpower models to develop the force and address gaps in our Non-commissioned Officer ranks. Sixty percent of Marines are on their first tour and 40 percent are E-3 and below. So we've implemented the Squad Leader Development Program to mature and further professionalize the force. This Program screens small unit infantry Marines, selects candidates based on performance and provides them with opportunities for education, qualification and assignment.

After returning predictability to the Navy and Marine Corps and creating an environment that supports families and promotes professional development, I took actions to make a career in the Department attractive and viable to the broadest spectrum of American talent. We now actively cultivate a force representative of the nation it defends. Doing so maximizes our combat effectiveness, because a diverse force is a stronger force.

This year, twenty-seven percent of the freshman class at the Naval Academy Class is comprised of women, more than a one-third increase from the summer of 2009 when I first took office. And for the first time in American history, all billets in the Navy and Marine Corps will be open to every member of this year's graduating class, and to all others, officers and enlisted, throughout the Fleet.

I started integrating women into previously closed jobs shortly after taking office by opening up submarines and the coastal riverines to women. Later, in 2013, Secretary Panetta and Chairman Dempsey decided that the default position would be to open all military positions to women or seek an exemption to the policy. When weighing this decision, I took a methodical and

comprehensive approach. Ultimately, I decided that denying any individual who meets an established standard the opportunity to serve because of their gender not only goes against everything we value as Americans, but it will most certainly diminish our combat effectiveness. We have already proven that is the case with respect to things like the color of someone's skin or who they love.

While we celebrate diversity in all of our people, we are uniform in purpose as part of an organization that prioritizes service over self. Rather than highlighting differences in our ranks, we have incorporated everyone as full-participants by moving, with some few exceptions, to common uniforms in both the Navy and the Marine Corps so that our forces have a common appearance. Now and in the future, we will present ourselves not as male and female Sailors and Marines, but as United States Sailors and Marines.

In the Reserves, during FY15 we mobilized 2,700 individual Reserve Sailors and Marines to support operations worldwide. This allows us to focus our active component on filling critical sea billets to help ensure Fleet wholeness and readiness. This year, we were reminded of the sacrifices our reserves make with the attack at Navy Operational Support Center (NOSC) Chattanooga that took the lives of five of our Sailors and Marines. At home, we have taken steps to provide force protection against these kinds of terrorist acts at off-installation NOSC's, and as of December 2015, 70 of 71 off-installation NOSC's now have armed Selected Reservists. More than 150 NOSC staff personnel have graduated the Navy's Security Reaction Force Basic (SRF-B) course in support of the Navy Reserve Force Protection mission. For Marine Corps reserve centers, 146 of 161 locations have armed duty personnel, and the remaining 15 sites are in the process of training personnel to be armed. Abroad, our Reserve Sailors and Marines are

deployed globally, and we will continue to maintain a Reserve that is ready, relevant, and responsive to the nation's needs.

The Department's civilian workforce supports our uniformed force and is critical to the success of our missions. Our civilian employees have endured multi-year pay freezes, a hiring freeze, furloughs and continued limits on performance awards that impacted morale. Results of a Federal Employee Viewpoint Survey indicated that, while our civilians appreciated the role they play in our mission, they felt recognition and training were lacking. Where possible, through such efforts as Operation Hiring Solutions, the Department has mitigated the impacts to Fleet readiness and operations and to increase civilian employee job satisfaction. Our efforts have produced tangible results, demonstrated by increased civilian retention rates over the last two consecutive years.

This patriotic workforce is the foundation of how the Department of the Navy operates. In order to ensure we have the most capable people, in the right positions, we run a number of leadership development programs. Annually we select participants for senior leader, executive leader, and developing leader programs to provide education and training that will help our people tackle the issues we face now and in the future.

Platforms –Growing Our Fleet Despite Shrinking Budgets

To provide the presence the American people and our nation's leaders expect and have come to rely on, our Sailors and Marines need the right number and composition of ships, aircraft, weapons, vehicles, and equipment to execute the missions mandated by our National Security Strategy. That means we must have a properly sized Fleet. Quantity has a quality all its own.

When I first took office, I committed to growing the Fleet to meet our validated requirement and strengthen the acquisition process by employing stricter management and increased competition. In the seven fiscal years from 9/11/2001 to 2009, our Fleet declined from 316 to 278 ships, and during that period, the Navy contracted for only 41 ships, not enough to keep our Fleet from declining nor keep our shipyards open and healthy. In the seven fiscal years following 2009, we will have contracted for 84 ships. And we will have done so while increasing aircraft purchases by 35 percent, despite decreasing defense budgets.

Shipbuilding

Navy shipbuilding is an essential part of our country's larger shipbuilding and repair industry, which provides more than 400,000 jobs and contributes more than \$37 billion to America's gross domestic product. Shipbuilding enhances and strengthens economic security as well as national security. The work we have done, and must continue to do, will reinforce the importance of maintaining a partnership with the industrial base, as well as keep our shipbuilding industry strong and ready to support the national security needs of our Navy and our country.

Across our shipbuilding portfolio, we have employed direct, impactful actions including increased competition within and across product lines, using block buys and multi-year procurements when products are mature; ensuring designs are stable before entering into production; pursuing cross-program common-equipment buys; and achieving affordability through hard-but-fair bargaining. This would not have been possible without Congressional approval on items like multi-year procurements.

Stability and predictability are critical to the health and sustainment of the industrial base that builds our Fleet. Changes in ship procurement plans are significant because of the long lead time, specialized skills, and extent of integration needed to build military ships. The skills required to build ships are perishable, and, in the past, we have lost talent in this critical industry when plans have changed. Each ship is a significant fraction of not only the Navy's shipbuilding budget but also industry's workload and regional employment. Consequently, the timing of ship procurements is a critical matter to the health of American shipbuilding industries, and has a two-to-three times economic multiplier at the local, regional and national levels.

The Navy will continue to consider and, when appropriate, use innovative acquisition strategies that assure ship construction workload and sustain the vendor base while imposing cost competition. And we will continue to invest in design for affordability, modularity and open systems architectures while incentivizing optimal build plans and shipyard facility improvements and supporting shipbuilding capability preservation agreements. These initiatives support affordability, minimize life-cycle costs, improve and ensure quality products, facilitate effective and efficient processes, and promote competition - which all support Department priorities.

Our efforts to maintain and affordably procure our Fleet's ships and submarines have continued through this past year. The Department has established a steady state Ford Class procurement plan designed to deliver each new ship in close alignment with the Nimitz Class ship it replaces. CVN 78 cost performance has remained stable since 2011 and this lead ship will deliver under the Congressional cost cap. The FY16 National Defense Authorization Act (NDAA) reduced this cost cap for follow-on ships in the CVN 78 class by \$100 million. Stability in requirements, design, schedule, and budget, is essential to controlling and improving CVN 79 cost, and

therefore is of highest priority for the program. In transitioning from first-of-class to follow-on ships, the Navy has imposed strict configuration and cost controls to ensure CVN 79 is delivered below the cost cap. CVN 80 planning and construction will continue to use class lessons learned to achieve cost and risk reduction. The CVN 80 strategy seeks to improve on CVN 79 efforts to schedule as much work as possible in the earliest phases of construction, where work is both predictable and more cost efficient.

In our attack submarine program, we awarded the largest contract in Navy history, \$18 billion, to build 10 Virginia-class submarines. Because Congress authorized a multi-year contract for these 10 boats, giving our shipyards stability and allowing them to order materials in economic quantities, we were able to save the taxpayer more than \$2 billion and effectively procured 10 boats for the price of nine.

We are continuing procurement of two Virginia Class submarines per year under the Block IV 10-ship contract which runs through FY18. We will also continue to develop the Virginia Payload Module (VPM), which is planned for introduction in FY19, as part of the next Virginia Class multiyear procurement (Block V).

The Arleigh Burke Class (DDG 51) program is one of the Navy's most successful shipbuilding programs – 62 of these ships are currently operating in the Fleet. We are in the fourth year of a multi-year procurement, and thanks to the work at shipyards in Mississippi and Maine and our acquisition team, the DDG 51 competitive multiyear contract is saving more than \$2 billion. The two Arleigh Burke Class destroyers requested in FY17, which will complete the current multiyear contracts, will provide significant upgrades to integrated air and missile defense and

additional ballistic missile defense capability (Flight III) by incorporation of the Air and Missile Defense Radar.

With our Littoral Combat Ships (LCS), the average ship construction cost, under the current block buy contracts, has decreased by nearly 50 percent in comparison to LCS hulls contracted prior to 2009. We now have six ships of this class delivered, 18 currently on contract, and two additional ships to award this fiscal year. We are currently upgrading the design, which will significantly increase LCS lethality and survivability, to be introduced no later than FY19, and potentially as early as FY18. Because of these ships' enhanced counter-surface and counter-submarine capabilities, contributing to their role in Battle Group operations, we are re-designating these future ships as Frigates.

Our budget request also includes incremental funding for the next big deck amphibious assault ship, LHA 8. We are in the midst of an innovative solicitation which solicits bids for LHA 8, the replacement Fleet oiler T-AO(X), and early design efforts for the replacement for the LSD 41/49 class LX(R). These bids which uniquely support both stability and competition within the amphibious and auxiliary sectors of the industrial base, will be awarded this fiscal year

Ohio Replacement (OR) remains our top priority program. Prior modernization programs, such as our first strategic deterrence procurement, "41 for Freedom," were accompanied by topline increases. The Navy greatly appreciates Congressional support in overcoming the challenges posed by funding the OR Program.

The fiscal realities facing the Navy make it imperative that we modernize and extend the service lives of our in-service ships to meet the Navy's Force Structure Assessment requirements. An

important element of mitigation is the extension and modernization of our Arleigh Burke class destroyers and Ticonderoga class cruisers (CGs).

The FY 2017 President's Budget includes funding for the modernization of two destroyers to sustain combat effectiveness, ensure mission relevancy and to achieve the full expected service lives of the AEGIS Fleet. The destroyer modernization program includes Hull, Mechanical, and Electrical (HM&E) upgrades as well as combat systems improvements with upgraded AEGIS weapons systems. Advanced Capability Build (ACB) 12 to include open architecture computing environment, BMD capability, installation of the Evolved Sea Sparrow Missile (ESSM), integration of the SM-6 missile, and improved air dominance with processing upgrades and Naval Integrated Fire Control-Counter Air capability. This renovation reduces total ownership costs and expands mission capability for current and future combat capabilities.

Cruiser modernization ensures long-term capability and capacity for purpose-built Air Defense Commander (ADC) platforms. Of our 22 total cruisers, 11 recently modernized CGs will perform the ADC function for deploying Carrier Strike Groups while the Navy modernizes our other 11 ships. As these are completed, they will replace the first 11 on a one-for-one basis as each older ship reaches the end of its service life (35 years) starting in FY20. Our modernization schedule commenced in FY15 on a 2-4-6 schedule in accordance with Congressional direction: two cruisers per year for a long-term phase modernization, for a period no longer than four years, and no greater than six ships in modernization at any given time.

The Budget supports CG Modernization and proposes a plan that will save \$3 billion over the FYDP by inducting the remaining cruisers into modernization following their current planned

operational deployments. This differs from the current plan in that we would put a total of four CGs in phased modernization in FY17. We understand that this request does not align with previous Congressional direction, but feel it is the best way to honor today's operational demands as we prepare for future strategic requirements.

Aviation

With the support of Congress, we continue to strengthen our Naval Aviation force. We are in the process of re-capitalizing every major aviation platform in the Navy and Marine Corps inventory. The MV-22B has replaced the CH-46E/CH-53D, and we are in the process of replacing all other Navy and Marine Corps aircraft. We also continue to focus on unmanned aviation. We are investing in the MQ-4C Triton, MQ-8C Fire Scout, RQ-21 Blackjack, and RQ-7B Shadow plus initiating efforts to provide carrier-based unmanned aviation capability with the RAQ-25 Stingray.

Our investments focus on developing and integrating capabilities by using a family of systems approach, when viable, to maintain superiority against rapidly evolving threats. Using current and future platforms, weapons, networks and technologies, we will ensure Naval Aviation relevance and dominance in the future. For legacy weapons systems, we are addressing aviation readiness by investing in operations and support accounts to mitigate training and platform readiness issues. Our procurement of new aircraft and synchronization of readiness enablers will improve our ability to project power over and from the sea.

The Strike Fighter inventory should be viewed in two separate and distinct phases. The near term challenge is managing a Department of Navy Tactical Aviation (TACAIR) force that has

been reduced in capacity through a combination of flying many more flight hours than planned, pressurized sustainment and enabler accounts, legacy F/A-18A-D Hornet depot throughput falling short of the required output due to sequestration and other factors, and the impact of delays to completing development of the Joint Strike Fighter program. As a result of aggressive efforts instituted in 2014 across the Department to improve depot throughput and return more aircraft back to service, FY15 depot throughput improved by 44 percent as compared to FY14, returning to pre-sequestration levels of throughput. TACAIR aviation depots are expected to continue to improve productivity through 2017, and fully recover the backlog of F/A-18A-D aircraft in 2019 at which time the focus will shift toward F/A-18E/F service life extension. In the far term, the Strike Fighter inventory is predominantly affected by the rate at which we can procure new TACAIR aircraft. The FY2017 budget request increases both the F/A-18E/F and F-35 strike fighter aircraft in order to mitigate near-term and far-term risks to our strike fighter inventory in the most affordable, effective manner possible.

Critical to power projection from the sea, the E-2D Advanced Hawkeye, our new and upgraded airborne early-warning aircraft, completed Fleet integration and deployed with USS ROOSEVELT (CVN 71) Carrier Strike Group. We are continuing Full Rate Production under a multi-year contract and Fleet transition is underway. We expect to integrate the advanced capabilities with Forward Deployed Naval Forces (FDNF) by 2017. We continue to recapitalize the P-3C Orion with P-8As, and are on-schedule to complete the purchase within the FYDP to bring a total of 109 P-8As to the Fleet. And our P-8s will continue to undergo incremental improvements.

Finally, we expect to complete EA-18G Growler Fleet transition in FY16. As the DoD's premier tactical Airborne Electronic Attack / Electronic Warfare aircraft, the Growler is crucial to power projection ashore in a saturated electronic warfare environment. With Congress' addition of seven EA-18Gs in FY16, we will have 160 of these aircraft in 15 squadrons to support the Navy requirement. With the retirement of the Marine Corps' last EA-6B Prowlers in 2019, these highly capable aircraft take over the nation's airborne electronic attack mission.

Our rotary wing and assault support communities are in the midst of large-scale recapitalization. In the vertical lift community, multi-year production contracts for the MV-22 continue. We have taken advantage of joint service commonality in the V-22 to fill a crucial enabler in the Carrier On-board Delivery mission. In the Marine Corps, procurement of the AH-1Z continues to deliver combat proven-capabilities. Finally, with its first flight last fall, the CH-53K King Stallion is poised to bring significant improvements in our heavy lift capabilities.

Unmanned Systems

Currently, our warfare communities - air, sea, undersea and ground - are all doing superb work in unmanned systems which are critical to our ability to be present. They increase the combat effectiveness of our deployed force while reducing the risk to our Sailors and Marines, allowing us to conduct missions that last longer, go farther, and take us beyond the physical limits of pilots and crews. Launching and recovering unmanned aircraft from the rolling decks of aircraft carriers, launching unmanned rotary-wing patrols from our small surface combatants, and deploying unmanned underwater vehicles globally are vital elements both now and in the future for maritime presence and naval warfare. We have enhanced our focus on unmanned systems and prioritized efforts under purposeful leadership at the level of the Deputy Assistant Secretary

of the Navy for Unmanned Systems and the new office of Unmanned Warfare Systems of the staff of the Chief of Naval Operations, also known as N99.

We are moving ahead with a number of unmanned programs in the effort to rapidly integrate new capability into the fleet. The MQ-8B Fire Scout began regular deployments in 2014. When USS FORT WORTH deployed to Singapore recently, the ship took a mixed aviation detachment of a manned MH-60R helicopter and MQ-8B Unmanned Aerial Vehicle's (UAV). This kind of hybrid employment, pairing our manned and unmanned systems to take advantage of the strengths of each, will be a hallmark of our future approach to unmanned systems. The first operational variant of the larger and more capable next generation Fire Scout, the MQ-8C, recently completed developmental testing and a successful operational assessment. This aircraft is scheduled to be deployable by the end of 2017 and will bring double the endurance and double the payload of the older versions.

The MQ-4C Triton is a key component of the Navy Maritime Patrol Reconnaissance Force. Its persistent sensor dwell capability, combined with networked sensors, will enable it to effectively meet ISR requirements in support of the Navy Maritime Strategy. The MQ-4C Triton will establish five globally-distributed, persistent maritime ISR orbits beginning in Fiscal Year 2018 as part of the Navy's Maritime ISR transition plan. Currently, MQ-4C Triton test vehicles have completed 53 total flights and will continue sensor flight testing this spring.

In 2015, the Office of the Secretary of Defense conducted a comprehensive Strategic Portfolio Review (SPR) of DoD ISR programs. The results of the SPR, and a subsequent ISR portfolio review, as reflected in our PB17 budget is the restructure of the Unmanned Carrier-Launched

Airborne Surveillance and Strike (UCLASS) program. The RAQ-25 Stingray will deliver the Navy's first carrier-based unmanned aircraft, a high-endurance platform that will replace today's F/A-18E/F aircraft in its role as the aerial tanker for the Navy's Carrier Air Wing (CVW), thus preserving the strike fighter's flight hours for its primary missions. Stingray will also have the range and payload capacity associated with high-endurance unmanned aircraft to provide critically-needed, around the clock, sea-based ISR support to the Carrier Strike Group and the Joint Forces Commander. The Navy envisions that the open standards to be employed in the Stingray design will enable future capabilities to be introduced to the aircraft after it has been fully integrated into the CVW.

Autonomous Undersea Vehicles (AUV) are a key component of the Navy's effort to expand undersea superiority. AUVs are conducting sea sensing and mine countermeasure tasks today with human-in-the-loop supervision. While nominal force structure requirements for FY25 have not been determined, the Navy is committed to growing both the size and composition of the AUV force. In the near-term, AUVs present an opportunity to increase undersea superiority and offset the efforts of our adversaries.

The Large Displacement Unmanned Underwater Vehicle (LDUUV) is an unmanned undersea vehicle to offload "dull, dirty, dangerous" missions from manned platforms beginning in 2022. LDUUV will be launched from a variety of platforms, including both surface ships and submarines. The craft's missions will include ISR, acoustic surveillance, ASW, mine countermeasures, and offensive operations.

The Surface Mine Countermeasure Unmanned Undersea Vehicle (SMCM UUV) commonly referred to as Knifefish employs low-frequency broadband synthetic aperture sonar. Knifefish is planned for incorporation into increment four of the LCS mine countermeasures mission package.

Weapons

The FY17 budget invests in a balanced portfolio of ship self-defense and strike warfare weapons programs. The Navy has made significant strides in extending the Fleet's layered defense battlespace while also improving the capabilities of the individual ship defense layers in order to pace the increasing anti-ship missile threat.

Standard Missile-6 (SM-6) provides theater and high value target area defense for the Fleet, and with Integrated Fire Control, has more than doubled its range in the counter-air mission. And as the Secretary of Defense announced a few weeks ago, we are modifying the missile to provide vital anti-surface capability. The Evolved Sea Sparrow Missile (ESSM) program awarded the Block 2 Engineering Manufacturing and Development contract in 2015, which will borrow from the SM-6 active guidance section architecture to improve ship self-defense performance against stressing threats and environments. Rolling Airframe Missile (RAM) Block 2 achieved IOC in May 2015, providing improved terminal ship defense through higher maneuverability and improved threat detection.

For strike warfare, the Department's Cruise Missile Strategy has been fully implemented with the PB17 budget submission. This strategy sustains Tomahawk Blocks III and IV through their

service lives; integrates modernization and obsolescence upgrades to the Block IV Tomahawk during a mid-life recertification program which adds 15-years of additional missile service life; fields the Long Range Anti-Ship Missile (LRASM) as the Offensive Anti-Surface Warfare (OASuW) Increment 1 solution to meet near to mid-term threats; and develops follow-on Next Generation Strike Capability (NGSC) weapons to address future threats and to replace or update legacy weapons. This plan brings next generation technologies into the Navy's standoff conventional strike capabilities. NGSC will address both the OASuW Increment 2 capabilities to counter long-term anti-surface warfare threats, and the Next Generation Land Attack Weapon (NGLAW) to initially complement, and then replace, current land attack cruise missile weapon systems.

Ground Forces

The focus of our Marine Corps ground modernization efforts continues to be our ground combat and tactical vehicle (GCTV) portfolio, along with the Command and Control (C2) systems needed to optimize this effectiveness of the entire MAGTF once ashore.

The key priority within the GCTV portfolio is the replacement of the legacy Amphibious Assault Vehicle (AAV) with modern armored personnel carriers through a combination of complementary systems. The Amphibious Combat Vehicle (ACV) program is the Marine Corps' highest ground modernization priority and will use an evolutionary, incremental approach to replace the aging AAVs with a vehicle that is capable of moving Marines ashore, initially with surface connectors and ultimately as a self-deploying vehicle. ACV consists of two increments, ACV 1.1 and ACV 1.2. Increment 1.1 will field a personnel carrier with technologies that are

currently mature. Increment 1.2 will improve upon the threshold mobility characteristics of ACV 1.1 and deliver C2 and recovery and maintenance mission role variants.

In parallel with these modernization efforts, a science and technology portfolio is being developed to explore a range of high water speed technology approaches to provide for an affordable, phased modernization of legacy capability to enable extended range littoral maneuver. These efforts will develop the knowledge necessary to reach an informed decision point in the mid-2020s on the feasibility, affordability, and options for developing a high water speed capability for maneuver from ship-to-shore.

We are also investing in the replacement of a portion of the high mobility, multi-purpose, wheeled vehicle (HMMWV) fleet which are typically exposed to enemy fires when in combat. In partnership with the Army, the Marine Corps has sequenced the Joint Light Tactical Vehicle (JLTV) program to ensure affordability of the entire GCTV portfolio while replacing about one third (5,500 vehicles) of the legacy HMMWV fleet with modern tactical trucks prior to the fielding of ACV 1.1.

Critical to the success ashore of the MAGTF is our ability to coordinate and synchronize our distributed C2 sensors and systems. Our modernization priorities in this area are the Ground/Air task Oriented radar (G/ATOR) and the Common Aviation Command and Control System (CAC2S) Increment 1. These systems will provide modern, interoperable technologies to support real-time surveillance, detection and targeting and the common C2 suite to enable the effective employment of that and other sensors and C2 suites across the MAGTF.

Innovation

As we continue to use better procurement strategies for ships, aircraft, and other weapons systems, we are also using better ideas to enhance the utility of current assets and to accelerate future capabilities to the Fleet. The Navy and Marine Corps have always been at the cutting edge of technology. To tap into the ingenuity inherent in our force, I created Task Force Innovation: a group from across the department comprised of thinkers, experts, and warfighters with diverse backgrounds and from every level. The Task Force is anchored in the Department as the Naval Innovation Advisory Council, with a location on each coast. These councils rely on feedback from databases such as “the Hatch,” a crowdsourcing platform that cultivates solutions from those who know best, our deckplate Sailors and Marines in the field.

To facilitate ways for new technologies to reach the Fleet unhindered by the overly-bureaucratic acquisitions process, we are implementing Rapid Prototyping strategies. This initiative provides a single, streamlined approach to prototyping emerging technologies and engineering innovations to rapidly response to Fleet needs and priorities.

We are also continuing the research and development of promising technologies such as 3D printing, directed energy weapons, robotics, adaptive force packaging at sea and unmanned vehicles to counter projected threats and using the entire force to prove these concepts. We are continuing the development and testing of the Electromagnetic Railgun and Hyper Velocity Projectile (HVP) as part of a broader Gun/Projectile Based Defense strategy. We plan to demonstrate this capability this fiscal year in preparation for follow-on at sea testing. In 2014, we deployed the first operational Laser Weapons System (LaWS) onboard PONCE in the Arabian Gulf. Lessons-learned from the 30 kilowatt LaWS installation are directly feeding the

Navy's investment in Solid State Laser weapons. The Navy is developing a 100-to-150 kilowatt laser prototype for at-sea testing by 2018.

To secure our superiority in cyberspace, we are building a new cyber warfare center of excellence at the Naval Academy, and we have more than doubled our cyber workforce since 2009. In addition to growing the cyber domain, we are also re-designating appropriate positions to count as part of the cyber workforce. The Department is diligently working on ensuring cyber workforce billets are properly coded in our manpower databases for tracking and community management efforts.

There has been a concerted effort to protect cyber positions from drawdowns and maximize direct and expedited civilian hiring authorities to improve cyber readiness and response. Additionally, the DON is supporting the DoD Cyber Strategy in the stand-up of the Cyber Mission Force teams; 40 teams by Navy, 3 teams by Marine Corps and 1,044 cyber security positions within Fleet Cyber and Marine Forces Cyber commands. These positions require unique cyber security skills and qualifications to perform a multitude of cyber security functions that will enhance the Department of the Navy cyber security and defense capability.

Power – Alternative Energy Fueling the Fight

Energy is a necessary commodity for modern life, and it plays a critical geopolitical role around the world. Access to fuel is often used as a weapon, as we have seen with Russian action against Ukraine, and threats against the rest of Europe. Although the price of oil has recently declined, the overall trend strongly suggests that over time, the prices could return to the higher levels.

Aside from the obvious economic instability that comes with the volatile price of oil, being overly reliant on outside energy sources poses a severe security risk, and we cannot afford to limit our Sailors and Marines with that vulnerability and lack of stability. When I became Secretary, our use of power was a vulnerability; we were losing too many Marines guarding fuel convoys in Afghanistan and volatile oil prices were stressing many areas, particularly training.

In 2009, the Department of the Navy set out to change the way we procure, as well as use, energy, with the goal of having at least half of naval energy- both afloat and ashore- come from non-fossil fueled sources by 2020. By using alternative energy sources, we improve our warfighting capabilities; reduce our reliance on foreign sources of fossil fuels; and reduce the ability of potential adversaries the opportunity to use energy as a weapon against us and our partners.

Pioneering new advancements in how we power our platforms and systems is nothing new for the Navy and Marine Corps. For two centuries we have been a driver of innovation, switching from sail to steam, steam to coal, coal to oil, and harnessed the power of nuclear propulsion. Operationally, energy matters now more than ever; our weapons platforms today use far more energy than their predecessors. The new technology we develop and acquire will ensure we maintain a strategic advantage for decades to come. Fueling the ships, aircraft, and vehicles of our Navy and Marine Corps is a vital operational concern and enables the global presence necessary to keep the nation secure.

After successfully testing the Great Green Fleet at the Rim of the Pacific Exercise in 2012, just last month USS JOHN C. STENNIS Strike Group departed on a routine operational deployment,

steaming on an blend of conventional and alternative fuels, as well as conducting underway replenishments at sea with these fuels. The three stipulations we have for our alternative fuels are they must be drop-in, they cannot take away from food production, and they must be cost competitive.

The alternative fuels powering the Great Green Fleet 2016 were procured from a company that makes its fuel from waste beef fats. These alternative fuels cost the Department of Defense \$2.05 per gallon. It is critical we continue to use cost-competitive blended alternative fuels in our ships and aircraft to ensure operational flexibility. For example, of the three crude oil refineries in Singapore one is 50 percent owned by China, while an alternative fuel plant is owned by a Finnish company.

This past year, we surpassed the goal the President set in his 2012 State of the Union Address, when he directed the Department of the Navy to have a gigawatt (one-half of our total ashore energy needs in the U.S.) of renewable energy by 2020. The Renewable Energy Program Office (REPO) coordinates and manages the goal of producing or procuring cost-effective renewable energy for our bases, and the power we are buying through our REPO projects will be cheaper than our current rates over the life of the contract. Today, we have in procurement more than 1.1 gigawatts of renewable energy for our shore installations--five years ahead of schedule.

In August, the Department of the Navy awarded the largest renewable contract in federal government history with the Western Area Power Administration. This solar project will meet a third of the energy needs for 14 Navy and Marine Corps installations, bringing them 210 MW of renewable power for 25 years, and saving the Navy \$90 million.

In the Marine Corps, the Expeditionary Energy Office (E2O) continues to focus on increasing their operational reach and empowering Marines in the field. E2O is doing amazing work. The Marine Corps hosts two expos- one on each coast- every year where they ask industry leaders to bring their latest technology, and, if the Marines see an operational use for it, they can buy it. They have invested in items such as small, flexible and portable solar panels that can save a company of Marines in the field 700 pounds in batteries. The Marines are also working on kinetic systems for backpacks and knee braces that harvest energy from a Marine's own movement. These technologies are making our Marines lighter, faster and more self-sustainable on the battlefield.

Across the Fleet and Marine Corps, we have taken numerous energy conservation measures that are aimed at energy efficiency, and have had dramatic impact on our energy use.

For example, two of our newest amphibious ships, USS MAKIN ISLAND and USS AMERICA use a hybrid propulsion system that has an electric power plant for slower speeds and traditional engines for speeds over 12 knots. When MAKIN ISLAND returned from her maiden deployment, she came back with almost half her fuel budget, despite the fact she stayed at sea an additional 44 days.

We had a Chief suggest we change all the lightbulbs on our ships to LEDs. Now every time a ship comes in for overhaul, we are changing out the bulbs. This simple change is saving us more than 20 thousand gallons of fuel per year per destroyer. They also last far longer, give off better light, and reduce our maintenance costs.

Our Sailors are using a Shipboard Energy Dashboard that provides them with real-time situational awareness of the energy demand on the various systems that are running, allowing Sailors to see the impact the way they operate a ship can have on fuel consumption. Sailors across the Fleet are taking it upon themselves to make their own platforms as efficient as possible, and the results are tangible.

The Department of the Navy's efforts in energy efficiency have strongly contributed to a decline in the Navy's demand for oil nearly 15 percent from fiscal 2008 to fiscal 2014, and the Marines slashed their oil consumption 60 percent over that same period, according to a recent report by the Office of the Undersecretary of Defense for Acquisitions, Technology and Logistics. While drawdowns in Iraq and Afghanistan have certainly contributed to these numbers, improvements in our use of energy have had an impact on our overall consumption.

Diversifying our energy supply for our ships, our aircraft, and our bases helps guarantee our presence and ability to respond to any crisis because we can remain on station longer or extend our range, reducing the delays and vulnerabilities associated with refueling.

We are a better Navy and Marine Corps for innovation, and this is our legacy. Employment of new energy sources has always been met with resistance, but in every case, adoption of new technologies enhanced the strategic position of our nation through improvements in the tactical and operational capabilities of our force. Our focus on power and energy is helping to ensure the United States Navy and Marine Corps remain the most powerful expeditionary fighting force in the world and enhance their ability to protect and advance American interests around the globe.

Partnerships – Building Partnerships to Advance our Shared Values

In this maritime century, cooperation with our international allies and partners is critical to defending the global system, as it broadens responsibility for security and stability, while diffusing tensions, reducing misunderstandings, and limiting conflict. It is through a cooperative effort that we will assure our navies can provide the necessary presence to maintain freedom of navigation and maritime security around the world.

I have traveled almost 1.2 million miles and visited 144 countries and territories and all 50 states to meet with Sailors and Marines and to build partnerships both at home and abroad.

International meetings establish the trust that helps us deter conflict and respond in a coordinated and effective manner to manmade or natural crises. We strengthen these partnerships in times of calm because, in times of crisis, you can surge people, you can surge equipment, but you cannot surge trust.

We continue to focus our efforts on the rebalance of assets to the Pacific as an important part of our partnership efforts. Having the right platforms in the right places is a vital piece of ensuring our friends and allies understand our commitment to this complex and geopolitically critical region. We're moving more ships to the central and western Pacific to ensure our most advanced platforms and capabilities are in the region, including forward basing an additional attack submarine in Guam and forward stationing four Littoral Combat Ships in Singapore. Also, we're providing two additional multi-mission Ballistic Missile Defense destroyers to Forward Deployed Naval Forces (FDNF) in Japan and the P-8A maritime patrol aircraft are making their

first rotational deployments in the region. Additionally, USS RONALD REAGAN replaced USS GEORGE WASHINGTON as our carrier homeported in Japan.

We are hubbing Expeditionary Transfer Docks (T-ESD) 1 and 2 in the vicinity of Korea/Northeast Asia, and hubbing Expeditionary Fast Transports (T-EFP) to Japan and Singapore. In the longer term, by 2018 we will deploy an additional Amphibious Ready Group to the Pacific region and we will deploy a growing number of Expeditionary Fast Transports and an additional Expeditionary Sea Base there.

The U.S. Seventh Fleet along with allies and partner nations combined for over 110 exercises throughout 2015 to train, build partner capability and relationships, and exchange information. The largest exercise, Talisman Sabre in the Asia-Pacific region, in July 2015, featured 21 ships, including U.S. Navy aircraft carrier USS GEORGE WASHINGTON and more than 200 aircraft and three submarines. USS FORT WORTH participated in Cooperation Afloat Readiness and Training (CARAT) exercises with partner navies from Cambodia, Philippines, Malaysia, Indonesia, Brunei, and Bangladesh to conduct maritime security cooperation exercises.

In addition to participating in many of the exercises as part of the Navy-Marine Corps team, the Marine Corps is also building its capacity to work with our Asia-Pacific partners. Marines participated in 46 exercises in the region in 2015. Examples include Cobra Gold, a crisis-response exercise with partners from Thailand, Singapore, Japan, Republic of Korea, Indonesia, and Malaysia, and exercise Talisman Saber, a U.S.-Australia exercise focusing on high-end combat operations and peacekeeping transitions. Additionally, Marine Rotational Force Darwin sustains more than 1,000 Marines on a revolving basis to conduct exercises, security cooperation

and training with the Australian Defense Force and other countries in the region. This will increase over the next few years to a full Marine Air Ground Task Force.

As we rebalance our expeditionary forces to the Pacific, we will remain focused on maintaining maritime superiority across all domains and geographies, ensuring we don't neglect obligations in places like Europe.

As a continuation of the North Atlantic Treaty Organization's 65-year mission to keep all nations free without claiming territory or tribute, we moved the fourth ballistic missile defense capable DDG, USS CARNEY, to Rota, Spain, to join USS DONALD COOK, USS ROSS and USS PORTER to enhance our regional ballistic missile defense capability, provide maritime security, conduct bi-lateral and multilateral training exercises, and participate in NATO operations. We've also established an AEGIS ashore site in Romania to provide additional shore-based ballistic missile defense capability in Europe, with a second installation in Poland scheduled to come online in the 2018 timeframe.

The Navy and Marine Corps continue to demonstrate support for our allies and friends and American interests in the European region. Alongside the Marine Corps' Black Sea Rotational Force's operations in Eastern Europe, a series of Navy ships have deployed into the Black Sea to ensure freedom of navigation and work with our partners there.

This past fall USNS SPEARHEAD completed the Southern Partnership Station 2015 in South America. As SPEARHEAD sailed through the Americas, the Sailors and Marines aboard participated in subject matter expert exchanges and building partner capacity throughout the

region. In October, USS GEORGE WASHINGTON and USS CHAFEE participated in the annual multinational exercise UNITAS, which was hosted by the Chilean Navy and included personnel from Brazil, Ecuador, El Salvador, Guatemala, Honduras, New Zealand and Panama to conduct intense training focused on coalition building, multinational security cooperation and promoting tactical interoperability with the participating partner nations. USS GEORGE WASHINGTON also deployed as part of Southern Seas 2015, which seeks to enhance interoperability, increase regional stability, and build and maintain relationships with countries throughout the region while circumnavigating South America. A unique symbol of our desire to build a strong relationship is evident in deployments by our world class hospital ship USNS COMFORT. As part of CONTINUING PROMISE 2015, medical and support staff from across the U.S. military and the region worked alongside nearly 400 volunteers to treat 122,268 patients and conduct 1,255 surgeries. In an historic event during the USNS COMFORT port call in Haiti, U.S. and Cuban medics worked side-by-side to treat Haiti's poor and exchange best medical practices. CONTINUING PROMISE is without doubt one of the U.S. military's most impactful missions, but future USNS COMFORT deployments will be affected by today's budget realities. Our security is inextricably linked with that of our neighbors, and we continue to work with innovative and small-footprint approaches to enhance our interoperability with partners in the Americas.

For some people around the world, Sailors and Marines who sail aboard our ships are the only Americans they will ever meet, and it is they who represent our country around the world.

In December, I hosted the leaders of our partner navies from West Africa and from Europe and the Americas for the Gulf of Guinea Maritime Security Dialogue. Naval leaders from 16 nations

bordering the Gulf of Guinea as well as 37 heads of navy, delegates and representatives from Europe and the Americas came to discuss collaborative solutions to piracy, extremism, trafficking and insecurity in the region. We discussed a unified code of conduct for maritime law enforcement and more direct cooperation in the region. As the economies in the Gulf of Guinea continue to grow, so does the increasing relevance of guarding against maritime terrorism, illicit trafficking of drugs, people and weapons, extremism moving from east to west, and other transnational crime. The U.S. Navy and Marine Corps will continue to work with our partners in West Africa and help them improve their capabilities and promote collaboration.

Working alongside other navies enhances interoperability, provides key training opportunities, and develops the operational capabilities of the countries and navies with which we have shared values. As we look toward future operations, multinational cooperation will continue to be vital to suppressing global threats, and building these strong partnerships now seeks to enhance and ensure our operational superiority into the future.

Outside of our international partnerships, the Department of the Navy's collaboration with industry, both in technology development and ship and aircraft building and repair, bolsters economic security as well as national security interests at home and abroad.

Finally, our Navy and Marine Corps require the support of the American people to maintain presence. I continue to honor our most important partnership- the one with the American people- by naming ships after people, cities, and states, as a reflection of America's values and naval heritage, and to foster that powerful bond between the people of this country and the men and women of our Navy and Marine Corps.

FY17 Budget Summary

The Department of the Navy's proposed budget for FY17 is designed to achieve the President's Defense Strategic Guidance (DSG): protect the homeland, build security globally, and project power and win decisively when called upon. In doing so we have looked across the FYDP to maintain our ability to conduct the primary missions listed in the DSG to 2021 and beyond. Overall the FY17 President's Budget balances current readiness needed to execute assigned missions while sustaining a highly capable Fleet, all within a continually constrained and unpredictable fiscal climate.

Our approach to this budget has focused on six objectives. First, maintain a credible and modern sea-based strategic deterrent. Second, sustain our forward global presence to ensure our ability to impact world events. Third, preserve the capability to defeat a regional adversary in a larger-scale, multi-phased campaign, while denying the objectives of- or imposing unacceptable costs on- a second aggressor in another region. Fourth, ensure that the force is ready for these operations through critical afloat and shore readiness and personnel issues. Fifth, continue and affordably enhance our asymmetric capabilities. Finally, sustain our industrial base to ensure our future capabilities, particularly in shipbuilding.

Even as we deal with today's fiscal uncertainty, we cannot let slip away the progress we've made in shipbuilding. It takes a long time, measured in years, to produce a deployable ship. It is the least reversible thing we might do to deal with budget constraints. If we miss a year, if we cancel a ship, it is almost impossible to recover those ships because of the time involved and the inability of the industrial base to sustain a skilled set of people without the work to support them.

To do the job America and our leaders expect and demand of us, we have to have those gray hulls on the horizon.

Because of the long lead time needed for shipbuilding, it is not the responsibility of just one administration. This Administration and Congress, in previous budgets, have guaranteed we will reach a Fleet of 300 ships by FY19 and 308 by FY21. This FYDP establishes a proposed shipbuilding trajectory for our Battle Force and its underpinning industrial base in the years following FY21, while maintaining decision space for the next Administration and Congress. As such, the FY17 President's Budget requests funding for seven ships: two Virginia class attack submarines, two DDG 51 Arleigh Burke class destroyers, two Littoral Combat Ships (LCS), and the LHA 8 Amphibious Assault Ship. The budget request also includes funding for refueling and complex overhauls (RCOH) for aircraft carriers USS GEORGE WASHINGTON and USS JOHN C. STENNIS.

The plan for LCS/FF requests funding for two ships in FY17, preserving the viability of the industrial base in the near term and creating future decision space for Frigate procurement should operational requirements or national security risk dictate the need.

The FY17 President's Budget includes funding for the modernization of destroyers (\$3.2 billion total invested in FY17 – FY21) to sustain combat effectiveness, to ensure mission relevancy, and to achieve the full expected service lives of the AEGIS Fleet. The budget also requests \$521 million across the FYDP, in addition to current Ships Modernization, Operations and Sustainment Fund (SMOSF) funding, to support cruiser modernization. The Navy will continue

to work with Congress to develop and evaluate funding options to continue this vital modernization.

Above the sea, our naval aviation enterprise grows. Specifically, we continue our recapitalization efforts of all major platforms and increase procurement of F/A-18E/F and F-35 aircraft, and make key investments in current and future unmanned aviation systems and strike warfare weapons capabilities.

While accelerating new platforms and capabilities to the Fleet is a priority, it is equally important to reduce the maintenance backlog created by sequestration. The FY17 budget provides additional investments in shipyard and aviation depots in both civilian personnel and infrastructure to achieve that end. As we execute our readiness strategy, our focus remains on properly maintaining ships and aircraft to reach their expected service lives and supporting a sustainable operational tempo.

The cyber domain and electromagnetic spectrum dominance remain Department priorities. The budget includes an increase of \$370 million over the FYDP (\$107 million in FY17) across a spectrum of cyber programs, leading to significant improvements in the Department's cyber posture. Specific elements include funding for engineering of boundary defense for ship and aviation platforms and for afloat cyber situational awareness.

While hardware upgrades and additions are crucial, our investment in people must be equally prioritized. The FY17 budget includes a 1.6 percent pay raise for Sailors and Marines and adds

billets for base security. Our personnel initiatives receive funding aimed to recruit, train, and retain America's best.

Our priorities combine to achieve one objective – naval presence. And that presence is weighted to meet the national security strategy. The FY17 budget sustains a forward deployed presence and continues the rebalance to the Pacific. The number of ships operating in the Asia-Pacific will increase from 52 today to 65 by 2020.

Crafting the Department of the Navy's budget did not come without hard choices. To achieve a balance between current and future capabilities, we were compelled to make several risk-informed decisions. We have proposed deactivating the 10th Carrier Air Wing. This primarily administrative move improves the alignment of carrier air wing and aircraft carrier deployment schedules and alleviates excessive time between deployments for CVWs attached to CVNs in lengthy maintenance phases, without losing any aircraft.

Finally, throughout my tenure, as part of my Department of the Navy Transformation Plan, I have stressed the importance of accountability. We are moving very quickly to an audit ready environment. Congressional support has been critical in providing the resources we need to bring our systems into compliance.

Conclusion

As the longest-serving Secretary since World War I, I have truly been able to get to know the men and women of this Department, and I have led institutional change – from inception to reality.

In order to provide our nation with presence, to deter our adversaries and assure our allies, and provide our nation's leaders with options in times of crisis, we have enhanced our capabilities across every area of this department. By focusing on our people, platforms, power and partnerships, we assure we remain the greatest expeditionary fighting force the world has ever known.

Today there is no operational billet in the Navy or Marine Corps that is closed to anyone based on their gender. Men and women wear uniforms common in appearance so they are uniformly United States Sailors and United States Marines. Career paths are flexible and provide unprecedented opportunities for professional growth. We promote based more on merit and not just tenure. We are encouraging retention in the Department by creating an environment that doesn't force our Sailors and Marines to choose between serving their country and serving their families.

We are seeking innovation from within the talent inherent in our Sailors and Marines. We have established an innovation network, with crowdsourcing platforms established to allow new ideas to get from the deckplates to our leaders.

We are growing the fleet. By the end of this fiscal year, we will have contracted for 84 ships, which will give America a 300-ship Navy by 2019 and a 308-ship Navy by 2021. We stood up a new Deputy Assistant Secretary of the Navy and OPNAV staff for Unmanned Systems development, making us leaders in this emerging capability.

The Navy has fundamentally changed the way we procure, use and think about energy. In the past seven years, the Navy and Marine Corps have significantly lowered fuel consumption. We have sailed the Great Green Fleet on alternative fuel blends and met our goal of having 1 gigawatt of renewable energy powering our shore-based installations five years early.

We are rebalancing our Fleet to meet the goal of having 60 percent of our assets in the Pacific region by the end of the decade, and we continue to contribute to security cooperation and international exercises with our friends and allies around the world.

Since the inception of our nation, America's Navy and Marine Corps have paved the way forward for this country.

As President George Washington once said, "It follows then as certain as that night succeeds the day, that without a decisive naval force we can do nothing definitive, and with it, everything honorable and glorious."

SUMMARY STATEMENT OF ADMIRAL RICHARDSON

Mr. FRELINGHUYSEN. Thank you. Admiral Richardson, good morning. Thank you for being with us.

Admiral RICHARDSON. Good morning, sir. Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the committee, I am honored and humbled for the privilege to appear before you today as your CNO on behalf of the over 500,000 active and reserve sailors, our civilians, and their families.

Mr. FRELINGHUYSEN. If you could move your microphone just a little closer to you.

Admiral RICHARDSON. Is that better? To start, sir, I want to thank you and the committee for your leadership in keeping our Nation secure, and in keeping our Navy the strongest that has ever sailed the seas. This year's budget continues our important work. I always think it is good to start by framing the problem. America is a maritime Nation, and our prosperity is inextricably linked to our ability to operate freely in the maritime environment. And today's strategic environment is increasingly globalized and increasingly competitive. Our global systems are used more and more, they are stressed more, and they are contested more. For the first time in 25 years, there is competition for control of the seas. The maritime environment has seen explosive growth; from the sea floor to space, from deep water to the shoreline, and in the information domain, things are accelerating.

The global information system has become pervasive and has changed the way we do business, we all do business, including at sea. And technology is being introduced at an unprecedented rate, and is being adopted by society just as fast.

And finally, Mr. Chairman, as you outlined, a new set of competitors are moving quickly to use these forces to their advantage, and for the first time in 25 years, the U.S. is facing a return to great power competition. These new forces have changed what it means for the Navy and Marine Corps to provide maritime security. And while the problems are more numerous and complex, our responsibility remains the same. Naval forces must provide our leaders credible options to protect America from attack, advance our prosperity, further our strategic interests, assure our allies and partners, and deter our adversaries, which rests on our ability, and, with our sister services, to win decisively if conflict breaks out.

To do this, the Navy is focusing on four lines of effort. First and foremost, we are going to do right by our people. Everything we do begins and ends with them. With the Marines, we are going to broaden our Naval warfighting concepts and capabilities. We are going to strengthen our partnerships, and we are going to learn faster. Unquestionably, the most important part of our Navy is our Navy team. Everything we do begins with them. As our platforms and missions become more complex, the need for talented people continues to be a challenge. We need to recruit, train, and retain the right people and our Sailor 2025 initiatives that the Secretary highlighted are aimed squarely at that challenge. These efforts are based on our core values of honor, courage, and commitment, and demonstrated through four core attributes: integrity, accountability, initiative, and toughness.

That team is committed to our mission, which requires us to strengthen our power at and from the sea. This budget reflects some very tough choices as we achieve this aim. We prioritize ship-building and the industrial base to the maximum extent possible.

First in that effort is the Ohio Replacement Program, which I believe is vital to our survival as a Nation. We are taking steps to more deeply ingrain information warfare. We are investing in our Naval aviation enterprise, rapidly integrating unmanned systems, and bolstering our investments in advanced weapons. In addition to these investments, we are also adjusting our behaviors to keep pace with the world that continues to accelerate. We are doubling down on our approach that relies more heavily on experimentation and prototyping, and we are pursuing multiple avenues to drive shorter learning cycles into all that we do. We must learn faster.

Mr. Chairman, and members of the committee, the 2017 Navy budget is this year's best approach to solving the problems and seizing the opportunities that face the Navy today. I thank you, and I look forward to your questions.

[The written statement of Admiral Richardson follows:]

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THE HOUSE COMMITTEE ON APPROPRIATIONS

STATEMENT OF

ADMIRAL JOHN M. RICHARDSON

U.S. NAVY

CHIEF OF NAVAL OPERATIONS

BEFORE THE

HOUSE SUBCOMMITTEE ON DEFENSE

COMMITTEE ON APPROPRIATIONS

ON THE

FISCAL YEAR 2017 NAVY BUDGET

MARCH 1, 2016

NOT FOR PUBLICATION UNTIL RELEASED BY THE
HOUSE COMMITTEE ON APPROPRIATIONS

Chairman Frelinghuysen, Ranking Member Visclosky, and distinguished members of the Committee, it is an honor to appear before you today. This is my first of hopefully many chances to discuss the future of the United States Navy with you, and as your Chief of Naval Operations, I look forward to continuing to work closely with you to ensure that your Navy is best postured to defend America's interests around the globe.

Prior to my confirmation, I testified that my most serious concern was the gap between challenges to America's security and prosperity and the resources available to protect them. In January of this year, I outlined this gap in more detail when I released *A Design for Maintaining Maritime Superiority* (the "*Design*"), which describes an increasingly competitive environment and the lines of effort the Navy will pursue to execute our mission in that environment. The thinking in the *Design* reflects inputs from leaders inside and out of the Navy and is guiding our way forward. It shaped our budget submission and shapes my testimony below.

The 2017 budget is this year's best approach to solving the problems and seizing the opportunities that face the Navy today. The budget reflects some constants; America has been a maritime nation since we began. Our prosperity continues to depend on our maritime security -- over 90 percent of our trade is shipped over the seas -- and this linkage will only tighten in the future. Against the backdrop of this historical truth, current problems and opportunities are growing rapidly. The maritime environment has remained remarkably constant since man first put to sea thousands of years ago. The oceans, seas, shipping lanes and chokepoints are physically unchanged in the modern era, but the maritime system has seen explosive growth in the past 25 years. Traffic over the seas has increased by 400 percent since the early 1990's, driving and outpacing the global economy, which has almost doubled in the same period. Climate change has opened up trade routes previously closed. Access to resources on the seafloor has also increased, both as Arctic ice has receded and as technology has improved. And just as it has in the past, our future as a nation remains tied to our ability to operate freely on the seas.

That maritime freedom is coming under increasing pressure and stress. For the first time in 25 years, there is competition for control of the seas. Nations like China and

Russia are using their newfound maritime strength not only to advance their national goals, but also to challenge the very rules and standards of behavior upon which so many nations since the end of World War II have based their growth. We should interpret this challenge to international rules and order as a challenge to our own security and prosperity, and to the security and prosperity of all who support an open, fair architecture.

It is against this background that I consider the gravity of the Navy's mission statement, as reflected in the *Design*:

"The United States Navy will be ready to conduct prompt and sustained combat incident to operations at sea. Our Navy will protect America from attack and preserve America's strategic influence in key regions of the world. U.S. naval forces and operations – from the sea floor to space, from deep water to the littorals, and in the information domain – will deter aggression and enable peaceful resolution of crises on terms acceptable to the United States and our allies and partners. If deterrence fails, the Navy will conduct decisive combat operations to defeat any enemy."

To me these words are not an abstraction, and are easiest to appreciate in the context of what naval forces do every day. As just one example, there was a day last fall when:

- The destroyer USS *Donald Cook* transited the Mediterranean, following an 11-nation multinational exercise in the Black Sea and a port visit to Odessa, Ukraine - demonstrating our commitment to our NATO allies;
- Sailors at the Navy Cyber Defense Operations Command in Suffolk, VA monitored intrusion prevention sensors that actively mitigated almost 300,000 instances of unauthorized or adversary activity across the Navy network enterprise, including more than 60,000 threats to afloat networks;
- The *Kearsarge* Amphibious Readiness Group, with the 26th Marine Expeditionary Unit aboard, participated in a Turkish-led amphibious exercise, demonstrating our combined capability and physically displaying our commitment to U.S. allies and partners;

- Five ballistic missile submarines patrolled the oceans (the latest in over 4,000 patrols since 1960), providing 100 percent readiness in providing strategic deterrence;
- USS *Fort Worth*, a Littoral Combat Ship, swapped crews in Singapore after participating in a Cooperation Afloat Readiness And Training (CARAT) exercise with the Bangladesh Navy, developing cooperative maritime security capabilities that support security and stability in South and Southeast Asia.
- Sailors from a Coastal Riverine Squadron and an Explosive Ordnance Disposal unit participated in an exercise in Cambodia, increasing maritime security cooperation and interoperability between the two navies;
- Navy SEALs trained and advised Iraqi forces in the fight against ISIL extremists, facilitating, mentoring, and enhancing their ability to secure their territory;
- Members of the Navy Expeditionary Combat Command provided tactical intelligence training to Ghanaian Maritime Law Enforcement and Naval service members at Sekondi Naval Base, increasing our partners' capacity and capability to secure their territorial waters;
- The aircraft carrier USS *Ronald Reagan* launched four F/A-18 fighters to intercept and escort two approaching Russian TU-142 Bear aircraft that approached as the carrier was operating in the Sea of Japan, operating forward to preserve freedom of action; and
- The fast-attack submarine USS *City of Corpus Christi* operated in the Western Pacific, after participating with the Indian and Japanese Navies in Exercise Malabar 2015, increasing our level of engagement with our partners across the Indo-Asia Pacific.

All of these events occurred on a single day: October 27, 2015. But none were in the headlines. That is because on that day the guided missile destroyer USS *Lassen* conducted a freedom of navigation operation in the South China Sea, one of the many visible demonstrations of our international leadership and national commitment to preserving a rules-based international order that the Navy conducts routinely around the world.

Your Navy's ability to execute these responsibilities -- our mission -- is becoming more difficult as three interrelated forces act on the global economic and security environments, and as new actors rise to challenge us. I have already described the first force - the force exerted by the expanding use of the maritime domain, on, over, and under the seas. This global system is becoming more used, stressed, and contested than perhaps ever before, and these trends show no signs of reversing.

The second force is the rise of the global information system. Newer than the maritime system, the information system is more pervasive, enabling an even greater multitude of connections between people and at a much lower cost of entry. Information, now passed in near-real time across links that continue to multiply, is in turn driving an accelerating rate of change.

The third interrelated force is the rising tempo at which new technologies are being introduced. This is not just information technologies, but also those that incorporate advances in material science, increasingly sophisticated robotics, energy storage, 3-D printing, and networks of low-cost sensors, to name just a few examples. The potential of genetic science and artificial intelligence is just starting to be realized, and could fundamentally reshape every aspect of our lives. And as technology is developed at ever-increasing speeds, it is being adopted by society more quickly as well -- people are using these new tools as quickly as they are produced, in new and novel ways.

Our competitors and adversaries are moving quickly to use these forces to their advantage, and they too are shifting. For the first time in decades, the United States is facing a return to great power competition. Russia and China demonstrate both the advanced capabilities and the desire to act as global powers. This past fall, the Russian Navy operated at a pace and in areas not seen since the mid-1990's, and the Chinese PLA(N) continued to extend its reach around the world. Their national aspirations are backed by a growing arsenal of high-end warfighting capabilities, many of which are focused specifically on our vulnerabilities. Both nations continue to develop information-enabled weapons with increasing range, precision and destructive capacity, and to sell those weapons to partners like Iran, Syria, and North Korea.

From a strategic perspective, both China and Russia are also becoming increasingly adept in coercion and competition below the thresholds of outright conflict, finding ways to exploit weaknesses in the system of broadly accepted global rules and standards. For example, Russia has continued its occupation and attempted annexation of another nation's territory. And, as perhaps the most startling example, China's land reclamation and militarization of outposts amidst the busiest sea lanes on the planet casts doubt on the future accessibility of our maritime domain. China is literally redrawing the map in the South China Sea by creating artificial islands, to which they then claim sovereign territorial rights, now complete with surface to air missiles and high performance radars. Their activity creates great uncertainty about the intentions and credibility of their leadership.

Russia and China are not the only actors seeking to contest U.S. and global interests in the emerging security environment. Others are also pursuing advanced technology, including military technologies that were once the exclusive province of great powers; this trend will persist. Coupled with an ongoing dedication to furthering its nuclear weapons and missile programs, North Korea's provocative actions continue to threaten security in Northeast Asia and beyond. Iran's advanced missiles, proxy forces and other conventional capabilities pose threats to which the Navy must remain prepared to respond. Finally, international terrorist groups such as ISIL and Al Qaeda have proven their resilience and adaptability and pose a long-term threat to stability and security around the world.

In summary, these new forces have changed what it means for the Navy and Marine Corps to provide maritime security; the problems are more complex, demanding, and numerous than ever before. But our responsibility remains the same. Naval forces must provide our leaders credible options that allow them to advance the nation's prosperity, defend its security, further its strategic interests, assure its allies and partners, and deter its adversaries -- which rests on the ability of the Navy and our sister services to decisively win if conflict breaks out. The breadth of challenges we face demands a range of options, and they must be credible. Only then can the United States effectively

advocate as a maritime power for the system of global rules and standards that underpin shared prosperity now and in the future.

It is becoming increasingly difficult for the Navy to present a sufficient number of credible options for leadership. While the predictability provided by the 2015 Bipartisan Budget Act is greatly appreciated, the Navy's Fiscal Year (FY) 2017 budget submission comes on the heels of four prior years' budgets that collectively provided \$30 billion less than requested levels to the Department of the Navy. It represents yet another reduction of almost \$5 billion from 2016 funding levels. And we have started the last six years with a continuing resolution, with an average duration of 120 days. In response, we have had to modify our behaviors with a host of inefficient practices, the use of short-term contracts offering less than best value to the government, and the associated increased workload on our shrinking headquarters staffs. Continuing Resolutions can also delay critical programs, including those with little to no margin for delay, such as the Ohio Replacement Program. And it's worse than that: the fiscal uncertainty sends ripples through the entire system - the industrial base is hesitant to invest, and our people remain concerned about the next furlough or hiring freeze or overtime cap. This unpredictability adds to the burden on our Navy team and drives prices up.

So the challenges are increasing and funding is decreasing. America remains the primary leader of the free world, with the most capable military force on the planet. And we remain a maritime nation whose future is inextricably tied to the seas. Our Navy has tremendous responsibilities to ensure that future is secure and prosperous. Within those constraints, our FY 2017 budget proposal reflects the best portfolio of credible options to achieve our mission. Budget constraints are forcing choices that limit our naval capability in the face of growing and rising threats. The Navy's budget addresses our gaps on a prioritized basis, and starts to accelerate our capabilities so that we can maintain overmatch relative to our adversaries.

Strengthen Our Navy Team for the Future

Without question, the most important part of our budget is our investment in our Navy Team - our Active and Reserve Sailors, our Navy Civilians, and their families. I am

pleased that we were able to provide a 1.6 percent pay raise for our Sailors this year, outpacing inflation and 0.3 percent more than last year. Just as important are the investments we are making to improve the environment for the Team. As the *Design* makes clear, some of the biggest impacts that we can make on our warfighting capability do not involve a lot of money, but instead are changes to how we do business.

These changes can't come soon enough. As our platforms continue to become more technologically advanced and missions become more complex, our need for talented, qualified recruits will grow. Further, the competition for that talent grows more intense every day. This budget keeps us on a good path. Our Sailor 2025 program is a dynamic set of initiatives, process improvements and management tools designed to increase career choice and flexibility, provide advanced, tailored learning, and expand support to our Navy families. In FY 2017, we begin to fully invest in the Sailor 2025 Ready Relevant Learning initiative, which will begin to create a new way of training our Sailors through mobile, modular learning, re-engineered content, and an improved IT infrastructure.

In this budget, we fund a wide range of initiatives to strengthen our Sailors individually and as a team. The *Design* highlights the importance of our core values of honor, courage and commitment, as demonstrated through four core attributes - integrity, accountability, initiative, and toughness. We are implementing a strategy, headed up by our 21st Century Sailor Office, to inculcate these attributes throughout the fleet and improve Sailor readiness and resilience. We continue to further develop a climate of dignity and respect throughout the Fleet. We also look to eliminate the toxic behaviors that destroy the fabric of the team - including sexual harassment and assault, hazing and alcohol abuse. We have increased funding over the FYDP to address sexual assault prevention and response, adding 24 new positions to the Naval Criminal Investigative Service -- on top of 127 additions in the previous two years -- to speed investigations while continuing our support for programs aimed at prevention, investigation, accountability, and support for survivors such as the Victim Legal Counsel Program.

As we seek greater efficiencies, planned adjustments allow us to take modest reductions (3,600 Sailors in FY 2017) in our active duty end strength. These are consistent with advances in training methods and with standing down the Carrier Air Wing 14. There will be no reductions in force or any other force-shaping initiatives - we will achieve this through natural attrition. Nobody will lose their job.

One of my observations since taking office is that we can do more to increase the synergy between our military and civilian workforces. Your Navy civilians are integral to all that we do. They work in our shipyards and aviation depots, provide scientific and technical expertise in our labs, and guard our bases and other facilities. To respond to increasing security concerns, we have invested this year in increased force protection measures, including in those civilians who keep our people and property safe. Some of the maintenance and readiness shortfalls we are still digging out from were made worse by civilian hiring and overtime freezes and a furlough in FY 2013. Worse, these actions strained the trust within our team. This budget adds a net of over 1,300 civilian positions in FY 2017 to support additional maintenance, enhance security, and operate our support ships, and continues the investments in our civilian shipmates that help to forge one seamless team. Even as we implement these key initiatives to address security and to recover readiness, we balance that growth with reductions over the FYDP of 3,200 FTE (1.8%), for a net reduction of 1,900.

Strengthen Naval Power at and From the Sea

That team, with our Marine Corps partners, is committed to our mission, which must be conducted in the environment I described above. The *Design* calls for us to strengthen naval power at and from the sea to address the growing scale, congestion, and challenge in the maritime domain. The *Ohio* Replacement Program (ORP) is paramount to that effort, and remains our top priority. In my opinion, it is foundational to our survival as a nation. This budget funds the ORP; construction is planned to start in FY 2021. This start date is vitally important to prevent any impact to continuous at-sea deterrence at a time when it could be even more relevant than today.

To the maximum extent possible, we have also prioritized shipbuilding and the industrial base that supports it. Our current fleet of 272 ships is too small to meet the array of mission requirements our nation demands. In this budget, we remain on a path to achieve 308 ships by 2021. This year, we are funding two advanced guided missile destroyers with upgraded radars (DDG Flight IIIs with SPY-6), two *Virginia*-class attack submarines, two Littoral Combat Ships, and the procurement of an amphibious assault ship replacement (LHA(R)). The *Ford* carrier remains under its cost cap and will deliver in 2016; we are continuing to exercise strong oversight and discipline to ensure the cost of her sister ships *Kennedy* and *Enterprise* also remain under budget. And we have exceeded our shipyard investment goal - we're at 8.1 percent, well beyond the 6 percent legislative requirement.

As the *Design* emphasizes, we are fully committed to further ingraining information warfare into our routine operations. This is essential to the Navy's future. For example, we are increasing procurement of the Surface Electronic Warfare Improvement Program (SEWIP) Block II and III by 45 units. We are also investing in network modernization afloat and ashore through 10 installations of the Consolidated Afloat Networks and Enterprise Services (CANES) system in FY 2017.

To help remediate one of our most stressed areas, we have enhanced our investments in the naval aviation enterprise. We are investing in bringing fifth generation aircraft to the fleet, adding ten F-35Cs over the FYDP. We are also replacing F-18 airframes that are meeting the end of their projected service lives faster than projected, adding 16F/A-18 E/Fs over the next two years. Further, we are adding upgrades to the Super Hornet to make it more capable in a high-end fight. And we are updating our strategy to more rapidly integrate unmanned aerial vehicles into our future air wing. Revisions to our unmanned carrier-launched airborne surveillance and strike (UCLASS) program will help us to meet current mission shortfalls in carrier-based surveillance and aerial refueling capacity, and better inform us about the feasibility of future additional capabilities we desire.

To meet an increasingly lethal threat, this budget bolsters our investments in advanced weapons across the FYDP. We are buying 100 additional tactical Tomahawks, 79 more

air-to-air AMRAAM missiles, additional sea-skimming targets, and accelerating our investments in SM-6 missile development in order to provide a full range of capability enhancements to the fleet. However, budget pressures also caused us to cut other weapons investments such as the Mk-48 torpedo and AIM-9X air-to-air missile. Many of our production lines are at minimum sustaining rates, and the low weapons inventory is a continuing concern.

Achieve High Velocity Learning at Every Level

All of these investments will deliver important capabilities to better posture us for the current and future environment. But, as or more importantly, we must also adjust our behavior if we are to keep pace with the accelerating world around us.

This budget reflects some of that increase in pace. We are changing how we approach training and education to take advantage of new tools and to push learning out to where our Sailors spend the bulk of their time -- their units. The intent is not to burden those units more, but to empower their leaders and give Sailors the best tools to support what science is increasingly revealing about how people learn most effectively.

It also means that Navy leaders, up to and including me as the CNO, must exercise full ownership of how we develop and acquire new capabilities for the future. That ownership has four elements: authority, responsibility, accountability, and technical expertise. I am committed to exercising that ownership, and to creating or supporting new ways to exercise it faster.

We are doubling down on an approach that relies more heavily on experimentation and prototyping, connected at the hip with the Fleet, to help meet mission needs while simultaneously helping us to better define our requirements. We are pulling our more ambitious projects closer to the present so we can learn our way forward, faster and with better information. We are taking this approach with the Remote Minehunting System, Large Displacement Unmanned Undersea Vehicle (LDUUV), and UCLASS programs, and we will continue to seek additional programs to which it can be applied.

We are also reexamining our processes and organization to ensure they are best aligned to support a faster pace. This budget includes a small amount of funding for the Rapid Prototyping, Experimentation, and Demonstration initiative, a process we have already begun to implement that “swarms” technical experts to Fleet problems, rapidly generates operational prototypes, and gets them into the hands of Sailors and Marines so we can continue to refine and improve them. We also are standing up a capability along the lines of the Air Force’s Rapid Capabilities Office; we’ll call it the Maritime Accelerated Capabilities Office (MACO). This will concentrate requirements, technical, and acquisition expertise on high-priority projects to fast-track their development and fielding.

Finally, Congress has rightly pressed us to reexamine whether we are being as efficient as we can be. Our budget reflects some of the efforts that we are taking in that regard, but fundamentally, we are focused on making every dollar count. I am taking a personal role in that process, asking hard questions and pushing us to become more cost-effective and agile as we apply a learning-based approach to all that we do.

Conclusion

This year’s budget request represents a portfolio of investments that employ our available resources to best effect. The gap between our responsibilities and our funding levels represents risk -- risk of Sailors’ lives lost, of a weakened deterrent, of a slower response to crisis or conflict, of greater financial cost, of uncertainty for our international partners -- all of which affect the security and prosperity of America. While it is impossible to quantify this risk precisely, I believe the balance reflected in this proposal improves our prospects going forward.

Such improvements are much needed. Concurrent with increasing global challenges, budget pressures have led the Navy to reduce our purchases of weapons and aircraft, slow needed modernization, and forego upgrades to all but the most critical infrastructure. At the same time, maintenance and training backlogs -- resulting from continued high operational tempo and exacerbated by sequestration in 2013 -- have delayed preparation for deployments, which in turn has forced us to extend units

already at sea. Since 2013, eight carrier strike groups, four amphibious readiness groups, and twelve destroyers have deployed for eight months or longer. The length of these deployments itself takes a toll on our people and the sustainability and service lives of our equipment. Further, these extensions are often difficult to anticipate. The associated uncertainty is even harder on Sailors, Marines, and their families and wreaks havoc on maintenance schedules, complicating our recovery still further.

We cannot continue to manage the risks we face absent broader change. As CNO, I will strive to keep the U.S. Navy on the road to remaining a force that produces leaders and teams who learn and adapt to achieve maximum possible performance. We will achieve and maintain high standards to be ready for decisive operations and if necessary, to prevail in combat. We will fight for every inch of advantage. In this way, we will provide sufficient, credible, options to leadership in order to guarantee America's security and prosperity now and into the future. I very much look forward to working with you and your fellow Members of Congress as we proceed.

SUMMARY STATEMENT OF GENERAL NELLER

Mr. FRELINGHUYSEN. Thank you, Admiral. General Neller.

General NELLER. Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the committee, thank you for the opportunity to be here with you this morning. Your Marines know that the Congress and the American people we serve have high expectations of us. You expect us to be ready to answer the call to fight and to win. Today, Marines remain forward deployed in Iraq and Afghanistan, and ready to respond to crises around the world. The posture of our force would not be possible without the support and actions of the Congress. Our global orientation, our maritime character, and expeditionary capability have all been ably demonstrated during this past year. In 2015, along with our Navy shipmates, Marines executed approximately 100 operations, 20 of them amphibious, 140 theater security cooperation events, and 160 major exercises.

Today's Marine Corps is a capable Naval force, and our forward-deployed forces are ready to fight, but we are fiscally stretched to maintain the readiness across the depths of the force, and at the same time, modernize to achieve future readiness.

As we remain engaged in the current fight and maintain our forward presence in order to respond to crises, our enemies and potential adversaries have not stood idle. They have developed new capabilities which now are comparable, and, in some cases, exceed our own. This is further complicated by a constrained resource environment from which we must continue our current operational tempo, reset our equipment, maintain our warfighting readiness, and, at the same time, modernize.

As our attention is spread across the globe in a security environment where the only certainty is uncertainty, we must make decisions about our strategy and structure that will determine our Nation's military capability in the future. The character of the 21st century is rapid evolution. It is imperative that we keep pace with change. History has not been kind to militaries that fail to change or evolve. And the change we see in the beginning of this century and beyond, we believe is dramatic.

The efforts of the 114th Congress have provided sufficient resources to support the Marine Corps' near-term readiness, and we thank the Congress for that fiscal stability. However, the President's budget for fiscal year 2017 increasingly challenges your Corps to simultaneously generate current readiness, reset our equipment after 15 years of war, and sustain our facilities and ranges, and, at the same time, modernize to ensure future readiness and capabilities.

Additionally, maintaining the quality of the men and women in today's Corps is our friendly center of gravity. In other words, that thing that we must protect. This is the foundation for which we make Marines, win our Nation's battles, and return quality citizens to our society. As the Marine Corps draws down to 182,000 Marines, we continue to develop capabilities in the fifth generation fighter, the F-35, cyber warfare, information operations, special operations, embassy security guards, in our security cooperation group. Our goal is to ensure that we set every Marine up for suc-

cess on the battlefield and in life and that they understand their value to our Corps and the Nation. The Congress' intent is for the Marine Corps to serve as the Nation's force in readiness. And that guides who we are and what we do.

Being ready is central to our identity as Marines. The fiscal reductions and instability of the past years have impacted our readiness and, as resources have diminished, the Marine Corps has protected the near-term operational readiness of its forward deployed and next to deploy units in order to meet our operational commitments. This means that we do not have the depth or readiness on our bench that we would like for a major contingency.

Modernization is our future readiness. The recapitalization of our force is essential to this future readiness with investments in facilities, sustainment, equipment reset, modernization, ground combat vehicles, aviation command and control, and other capabilities. That said, with the continued support of the Congress, the Marine Corps will maintain ready forces today and modernize to generate this future readiness. The wisdom of the 82nd Congress reaffirmed by the 114th Congress remains valid today. The vital need of a strong force in readiness and your Marines are honored to serve in this role.

Again, thank you for the opportunity to appear before you today and your leadership in addressing our fiscal challenges and our warfighting readiness. I look forward to your questions.

[The written statement of General Neller follows:]

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HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE

STATEMENT
OF
GENERAL ROBERT NELLER
COMMANDANT OF THE MARINE CORPS
BEFORE THE
HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE
ON
NAVY AND MARINE CORPS FY17 BUDGET REQUEST
1 MARCH 2016
UNITED STATES CAPITOL
ROOM H-140

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HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE

The Commandant's Posture of the United States Marine Corps President's Budget 2017

Prologue

The United States Marine Corps is the Nation's expeditionary force in readiness. The intent of the 82nd Congress defined and shaped our culture, organization, training, equipment, and priorities. Marines appreciate the leadership of the 114th Congress in reaffirming that role, especially as the strategic landscape and pace of the 21st Century demands a ready Marine Corps to buy time, decision space, and options for our Nation's leaders. Congress and the American people expect Marines to answer the call, to fight, and to win.

Our global orientation, maritime character, and expeditionary capability have all been ably demonstrated during the past year. The capabilities of our total force are the result of the planning and execution of committed Marines and Sailors operating under the leadership of my predecessors. These capabilities and the posture of our force would not be possible without the support and actions of the Congress. As our attention is spread across the globe in a security environment where the only certainty is uncertainty, we must make decisions about our strategy and structure that will determine our Nation's military capability in the future. Today's force is capable and our forward deployed forces are ready to fight, but we are fiscally stretched to maintain readiness across the depth of the force, and to modernize, in order to achieve future readiness.

Situation

The current global security environment is characterized by violence, conflict and instability. Multidimensional security threats challenge all aspects of our national power and the international system. The expansion of information, robotics, and weapons technologies are causing threats to emerge with increased speed and lethality.

Over the last 15 years, the United States fought wars in the Middle East, and your Marines continue to respond to crises around the globe. There has not been an "inter-war period" to reset and reconstitute our force. Your Marines and Sailors have remained operationally committed at the same tempo as the height of our operations in Iraq and Afghanistan. As we have remained engaged in the current fight, our enemies and potential adversaries have not stood idle. They have developed new capabilities which now equal or in some cases exceed our own.

This unstable and increasingly dangerous world situation is further complicated by a constrained resource environment from which we must continue current operations, reset our equipment, maintain our warfighting readiness, and at the same time, modernize the force. Therefore, it has become necessary that we continually balance our available resources between current commitments and future readiness requirements. This requires pragmatic institutional choices and a clear-eyed vision of where we need to be in 10-20 years.

What Marines are doing today...

Today, Marines remain forward deployed in Iraq and Afghanistan, and ready to respond to crisis around the world. Marines and Sailors are presently managing instability, building partner capacity, strengthening allies, projecting influence, and preparing for major theater combat operations. In 2015, Marines executed approximately 100 operations, 20 amphibious operations, 140 theater security cooperation events, and 160 major exercises.

Our Nation has Marines on the ground in Iraq and Afghanistan today, and we anticipate our commitment could grow in the future. Marines continue to advise, train and enable the Iraqi Security Forces and other designated Iraqi forces with peer-to-peer advising and infantry training. In Afghanistan, Marines continue to serve as advisors with the Republic of Georgia's Liaison Teams (GLTs) in support of Operation RESOLUTE SUPPORT. From forward-deployed locations afloat and ashore, Marine tactical aviation squadrons continue to support operations in Syria and Iraq. In 2015, aviation combat assets executed over 1,275 tactical sorties and 325 kinetic strikes that have killed over 600 enemy combatants and destroyed over 100 weapons systems and 100 technical vehicles.

Our Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) Teams continue to show their capability a flexible and agile maritime force. In 2015, the Marine Corps deployed over 12,000 Marines with our shipmates on Navy warships. This past year, five separate MEUs supported every Combatant Commander, participating in exercises and executing major operations. The 31st MEU, our Forward Deployed Naval Force in the Pacific, performed disaster relief operations on Saipan after Typhoon Soudelor passed through the Commonwealth of the Northern Mariana Islands (CNMI). Marines were ashore to support the relief effort within 12 hours of notification and delivered a total of 11,000 gallons of fresh water and 48,000 meals.

As part of the *New Normal* your Corps deployed two Special Purpose Marine Air Ground Task Forces – Crisis Response (SPMAGTF-CR) to US Central Command and US Africa Command. These

forces are tailored to respond to crises and conduct security cooperation activities with partner nations, but they do not provide the same flexibility and responsiveness of an ARG/MEU. Our SPMAGTF assigned to CENTCOM today provides dedicated Tactical Recovery of Aircraft and Personnel (TRAP) support to Operation INHERENT RESOLVE, in Iraq and Syria, and simultaneously provides a flexible force for crisis and contingency response. In AFRICOM, our SPMAGTF supported Embassies through reinforcement, evacuation, and operations to reopen a previously closed Embassy in Central African Republic. Your Marines also supported operations during the Ebola crisis and assisted with elections. Finally, a SPMAGTF deployed to the US Southern Command in 2015. SPMAGTF-SC's primary focus was the reconstruction of a runway in Mocoron Airbase, Honduras and theater security cooperation and training in Honduras, El Salvador, Guatemala and Belize.

The Marine Corps' activities in the Pacific are led by Marine Forces Pacific (MARFORPAC) headquartered in Honolulu, Hawaii, with a forward stationed Marine Expeditionary Force (MEF), III MEF, headquartered in Okinawa, Japan. III MEF contributes to regional stability through persistent presence and Marines remain the Pacific Command's (PACOM) forward deployed, forward stationed force of choice for crisis response. The Marine Corps continues to rebalance its force lay-down in the Pacific to support Defense Strategic Guidance (DSG), with 22,500 Marines West of the International Date Line, forward-based, and operating within the Asia-Pacific Theater. The planned end state for geographically distributed, politically sustainable and operationally resilient MAGTFs in the Pacific is a long-term effort that will span the next 15 years. The Marine Rotational Force-Darwin (MRF-D), based in Australia's Robertson Barracks, is in its fourth year of operation. This year we will deploy approximately 1,200 Marines to Darwin for a six-month deployment.

The Marine Corps continues to work closely with the State Department to provide security at our Embassies and Consulates. Today, Marines are routinely serving at 174 Embassies and Consulates in 146 countries around the globe. Approximately 117 Embassies have increased support in accordance with the 2013 NDAA. We have added 603 Marines to the previously authorized 1,000 Marine Security Guards; 199 in new detachments, 274 towards increased manning at current detachments, and 130 towards the Marine Security Augmentation Unit (MSAU). Additionally, the US Embassy in Havana, Cuba was reopened on July 2015, with Marines serving at this Embassy as they do in any other.

Our partnering capabilities assure allies, deter adversaries, build partner capacity, and set conditions for the readiness to surge and aggregate with a Joint, Coalition or Special Operations force

for major theater combat operations. Partnering also trains our Marines for environments in which we are likely to operate. In 2015, the Marine Corps, in conjunction with Combatant Commanders and the Marine Forces Component Commands, conducted more than 140 security cooperation activities, including exercises, training events, subject matter expert exchanges, formal education key leader engagements, and service staff talks. Your continued support has allowed the Marine Corps to operate throughout the world today; now we must ensure our readiness tomorrow.

Five Areas of Focus

Today, in addition to supporting the Combatant Commander's requirements, the Marine Corps is focused on near-term efforts in five interrelated areas that are vital to achieving our future success: People, Readiness, Training, Naval Integration, and Modernization. Across these five areas, three major themes run throughout: maintaining and improving the high quality people that make up today's Marine Corps; decentralizing the training and preparation for war while adhering to Maneuver Warfare principles in the conduct of training and operations; and modernizing the force, especially through leveraging new and emerging technologies. The future requires Marines to embrace change to leverage the rapid advancements in technology at the pace of the 21st Century in order to gain an operational advantage over any potential adversary we may face in the future.

People

The success of the Marine Corps hinges on the quality of our Marines. This is the foundation from which we make Marines, win our Nation's battles, and return quality citizens to American society. The Marine Corps will maintain a force of the highest quality which is smart, resilient, fit, disciplined and able to overcome adversity. Maintaining the quality of the men and women in today's Corps is our friendly center of gravity. Our goal is to ensure every Marine is set up for success on the battlefield and in life, and understands their value to the Marine Corps and the Nation.

The Marine Corps continues to benefit from a healthy recruiting environment that attracts quality people who can accomplish the mission. Our recruiting force continues to meet our recruiting goals in quantity and quality and is postured to make this year's recruiting mission. We are on track to meet our active duty end strength goal of 182,000 Marines in Fiscal Year 2016, and we will look to maximize the capabilities of each and every Marine. Where it makes sense, we will look to leverage

the unique skills of our Reserve Marines to align what they bring from the civilian sector and better enable the readiness of our Total Force.

As the Marine Corps completes our current draw down, competition for retention will continue. We will strive to retain the very best Marines capable of fulfilling our leadership and operational needs. This is accomplished through a competitive career designation process for officers and a thorough evaluation process for enlisted Marines designed to measure, analyze, and compare Marines' performance, accomplishments, and future potential. The Marine Corps continues to retain quality Marines in a majority of occupational fields while others, like aviation and infantry, are more challenging. An additional challenge for all Marines is remaining focused on training for war balanced against the volume of mandatory "top down" training requirements not directly associated with warfighting.

Marine Leaders have a moral obligation to ensure the health and welfare of the Nation's Marines from the day they make the commitment to serve. We take this responsibility very seriously and strive to maintain the trust and confidence of Congress and the American People by immediately addressing any challenge to Marine Corps readiness and finding solutions through our people and readiness programs. We have reinvigorated the Marine for Life Program and continue to progress with our Marine Corps Force Integration Plan (MCFIP), Sexual Assault Prevention and Response Program (SAPR), Protect What You've Earned Campaign (PWYE), Suicide Prevention and Response Program, our Wounded Warrior Regiment, Marine and Family Programs, and Transition Assistance Programs. The Marine Corps remains focused on solutions to address the destructive behavior of sexual assault, suicide and hazing. The abuse of alcohol has proven to be a contributing factor across the spectrum of force preservation issues that impact the readiness of our force. Our goal continues to be the elimination of this destructive behavior from our ranks, and we believe that preserving our commanders' ability to lead in this area is a vital element to reaching this objective.

Readiness

The Congressional intent to serve as the "Nation's Force in Readiness" guides who we are and what we do – being ready is central to our identity as Marines. As a force, we will remain ready to fight and win across the range of military operations and in all five warfighting domains – maritime, land, air, cyber and space. The fiscal reductions and instability of the past few years have impacted our readiness. As resources have diminished, the Marine Corps has protected the near-term

operational readiness of its deployed and next-to-deploy units in order to meet operational commitments. This has come at a risk.

The Marine Corps will continue to prioritize the readiness of deployed and next-to-deploy units over non-deployed units. The majority of our units are deploying ready while our non-deployed commands lack sufficient resources to meet the necessary personnel, training, and equipment readiness levels in order to respond today. However, to meet Congress' intent that we remain the nation's force in readiness, the Marine Corps requires a "ready bench" that is able to deploy with minimal notice and maximum capability.

Our aviation units are currently unable to meet our training and mission requirements primarily due to Ready Basic Aircraft shortfalls. We have developed an extensive plan to recover readiness across every type/model/series in the current inventory, while continuing the procurement of new aircraft to ensure future readiness. The recovery and sustainment of our current fleet is necessary to support both training and warfighting requirements. Each type/model/series requires attention and action in specific areas; maintenance, supply, depot backlog, and in-service repairs. For example, in our F/A-18 community we are 52 aircraft short of our training requirement and 43 aircraft short of our warfighting requirement due to back log and throughput at the Fleet Readiness Depot and our inventory of spares. If these squadrons were called to on to fight today they would be forced to execute with 86 less jets than they need. With the continued support of Congress, Marine Aviation can recover its readiness by re-capitalizing our aging fleet first as we procure new aircraft to meet our future needs and support our ground forces.

Simultaneous readiness initiatives are occurring with our ground equipment. Our post-combat reset strategy and Equipment Optimization Plan (EOP) are key components of the overall ground equipment "Reconstitution" effort. As of Jan 2016, the Marine Corps has reset 78% of its ground equipment with 50% returned to the Operating Forces and our strategic equipment programs. This strategic war reserve is our geographically prepositioned combat equipment both afloat and ashore where it makes the most sense to respond to contingencies. We remain focused on this recovery effort and project its completion in May of 2019. This service-level strategy would not have been possible without the continued support of Congress and the hard work of your Marines.

The Facility Sustainment, Restoration and Modernization (FSRM) initiative and current state of facilities is the single most important investment to support training, operations, and quality of life.

The 2017 budget proposes funding FSRM at 74% of the OSD Facilities Sustainment Model. This reduced funding level is an area of concern. FSRM is a top priority to fix.

The sustainment of military construction (MILCON) funding is crucial to managing operational training and support projects. Marine Corps readiness is generated aboard our bases and stations. As we transition to new capabilities and realign our forces in the Pacific, adequate MILCON will be a key enabler for the Marine Corps' future success.

Readiness is not just in our equipment supply and maintenance, but in the quality and challenging nature of our training through the mental, spiritual and physical readiness of Marines and Sailors across the force. Readiness is the result of a variety of factors: commitment by leadership, standards-based inspections, evaluated drills and training exercises, and an understanding by all Marines and Sailors that the call can come at any time. And we must be ready and able to answer.

Training, Simulation and Experimentation

The Marine Corps' training and education continuum requires parallel and complementary efforts, from Squad Leader to MAGTF Commander. Organizing and executing high quality training is a difficult task. It takes time, deliberate thought, and effort. Our approach to training must evolve. It will emphasize the basics: combined arms, competency in the use of our weapons and systems, and expeditionary operations; but it must reemphasize operations in a degraded command, control, communications, computers and intelligence (C4I) environment, camouflage/deception, operations at night, operations in a nuclear, biological and chemical (NBC) environment, and decision-making in rapidly unfolding and uncertain situations. We must provide opportunities to experiment and work with the latest technological advances.

Our war gaming supports the combat development process in order to develop and refine emerging concepts, conceptualize force design, and identify future capabilities and deficiencies within the future operating environments. War gaming achieves this purpose by permitting the dynamic, risk-free consideration of disruptive ideas and capabilities which enable innovation and inform Service priorities. War gaming also supports the development of operating concepts and facilitates analysis of alternatives across the ROMO. The Marine Corps is committed to the future development of a war gaming facility at Marine Corps Base Quantico to enhance the study of the evolving characteristics of, and the requirements for, successful warfighting in the future. The Marine Corps is working to leverage virtual and constructive training environments with better tools to train higher level staffs and

a focus on our leaders, from the Battalion to the Marine Expeditionary Force level. Enabled by technology, we will increase the amount of training each unit can accomplish in mentally and physically stressing environments for all elements of the MAGTF before they execute on a live training range or in combat.

Our current training schedule of major events will all focus on building on our maritime based operational capability and at the same time providing venues for experimentation. We will emphasize and increase opportunities for force-on-force training and operations in degraded environments in order to challenge Marines against a “thinking enemy” and maximize realism.

Demanding and challenging Professional Military Education (PME) is the best hedge against uncertainty and its purpose is to prepare for the unknown. Marines and Sailors of all ranks have the responsibility to educate themselves. The Marine Corps University (MCU) educates over 75% of Marine Corps’ Captains and Majors and provides PME opportunities for 100% of our enlisted force. Our training and education initiatives contribute to our readiness and enhance our ability to integrate with the Naval and Joint Force.

Integration with the Naval and Joint Force

In order to be the Nation’s expeditionary force in readiness the Marine Corps must remain a naval combined arms expeditionary force. Our naval heritage is based on more than tradition; it is mandated by law as our primary service responsibility. Marines will reinforce our role as a naval expeditionary force to create decision space for national leaders and assure access for the Joint force as part of a naval campaign. As the service with the primary Department of Defense Directive and Title 10 responsibility for the development of amphibious doctrine, tactics, techniques, and equipment, our capabilities are reliant on the Nation’s investment in our partnered Navy programs. This requires the proper balance of amphibious platforms, surface connectors, and naval operating concepts to shape our force explicitly as part of the Joint Force, understanding where we will both leverage and enable the capabilities of the Army, Air Force and Special Operations Forces.

The Navy and Marine Corps Team require 38 amphibious warships, with an operational availability of 90%, to support two Marine Expeditionary Brigades, in order to provide the Nation a forcible entry capability. The Marine Corps fully supports the Secretary of the Navy and Chief of Naval Operations’ efforts to balance amphibious platforms and surface connectors that facilitate operational maneuver from the sea and ship-to-objective maneuver. The Long Range Ship Strategy

(LRSS) increases the amphibious warship inventory to 34 by FY22. We appreciate Congress providing the funding to procure a 12th LPD and the funding for a second ship with the same hull form.

The LPD and the LXR represent the Department of the Navy's commitment to a modern expeditionary fleet. L-Class ships with aircraft hangars and the command and control capabilities for the distributed and disaggregated operations that have become routine for our ARG/MEU teams. The Marine Corps fully supports the Navy's decision to use the LPD-17 hull for the LXR program. This decision is an acquisitions success story that provides a more capable ship, at lower cost, with increased capacity, on a shorter timeline to better support how Marines are operating today and are likely to in the future.

Steady state demand and crisis response sea basing requirements must be met through creative integration of all platforms and formations. This requires an integrated approach that employs warships, alternative shipping and landing basing in a complementary manner. Corresponding to the amphibious ship effort is our investment in tactical ship-to-shore mobility because at some point in the naval campaign, the landing force is going to land. The Amphibious Combat Vehicle (ACV) is critical in the conduct of protected littoral maneuver and the projection of Marines from sea to land in permissive, uncertain, and hostile environments. Our planned investments are framed by our capstone service concept, Expeditionary Force 21 (EF-21). Working with our naval partners, we are aggressively exploring the feasibility of future and existing sea based platforms to enhance the connector capabilities of our LCACs and LCUs. We have a need to modify traditional employment methods and augment amphibious warships by adapting other vessels for sea-based littoral operations. Maritime Prepositioning Ship squadrons have one Maritime Landing Platform (MLP) that is effectively a "pier in the ocean." These ships can move pre-positioned war reserves into theater and serve as afloat staging bases to receive and transfer equipment and supplies as part of an integrated MAGTF or regionally oriented MEB. The end-state is a "family of systems" designed to enhance mobility, interoperability, survivability, and independent operational capabilities to further enhance sea basing and littoral maneuver capabilities well into the 21st Century. The Marine Corps will continue to work closely with the Navy to implement the 30-year ship building plan and to address the current readiness challenges of the amphibious fleet.

The continued development of Information Warfare and Command and Control capabilities are also required for the Marine Corps to operate against increasingly sophisticated adversaries. This

requires investments in interoperable combat operations centers. We are identifying and developing command and control systems and information technology architecture to support operations and ensure our ability to maneuver. Framed by service-level concepts like the Navy's Cooperative Strategy 21 (CS-21), we will collaborate with the Navy on a Naval Operating Concept revision in order to shape future naval campaigning and naval expeditionary operations. This concept will include a greater Marine Corps contribution to Sea Control operations through interoperability with the Navy Composite Warfare Commander (CWC) structure in order to disrupt, dismantle and defeat Anti-Access/Area Denial (A2/AD) threats and optimize the single naval battle success on and from the sea. Since Marines and Special Operations Forces (SOF) remain forward deployed, we must create true integration models to maximize the capabilities of the sea-based MAGTF, including command and control (C2), alongside our SOF partners. The end state is a fully integrated and ready Navy and Marine Corps team, trained and resourced to support our joint operating concept.

Modernization and Technology

History has not been kind to militaries that fail to evolve, and the change we see in the 21st Century is as rapid and dramatic as the world has ever known. That said the Marine Corps' modernization and technology initiatives must deliver future capabilities and sustainable readiness. Marines will continue working to do what we do today better, but equally important, must be willing to consider how these same tasks might be done "differently." The Marine Corps must continue to develop and evolve the MAGTF, ensuring it is able to operate in all warfighting domains. To do so Marines are invigorating experimentation of new concepts in order to advance our capabilities.

We will continue to develop our concepts to take advantage of the capabilities of the F-35 Joint Strike Fighter and all of our emerging aviation platforms, particularly in regard to sensor fusion and electronic warfare. Marines will continue to experiment with and exercise new ways to get the most out of the MV-22 and challenge previous paradigms in order to provide the most effective MAGTFs to our Combatant Commanders.

We will establish and define, in doctrine, our distributed operations capability in our MAGTFs by the end of FY16. With distributed capabilities, we must also ensure our forces are not constrained at the littoral seams between Combatant Commanders. You can also expect the Marine Corps to continue to pursue technologies that enhance our warfighting capabilities such as unmanned aerial

systems (UAS) and robotics, artificial intelligence, 3-D printing, and autonomous technologies that provide tactical and operational advantage.

The Marine Corps Warfighting Lab leads our experimentation effort to capitalize on existing and emerging technology and MAGTF level exercises. In conjunction with our coalition partners, the Navy and Marine Corps team has experimented with dispersed sea based SPMAGTFs, integrated MAGTFs in Anti-Access/Area Denial environments, incorporated emerging digital technologies with aviation platforms and our ground forces, and conducted naval integration with interoperable Special Operations Forces during Joint Exercises. We will continue to emphasize experimentation during our exercises as a way to inform the development of distributed doctrine and future operating concepts. Exercises serve as a test bed for experimentation as we search for faster, cheaper and smarter acquisition processes and programs.

The following equipment platforms and acquisition initiatives require special mention:

Amphibious Combat Vehicle (ACV)

The ACV is an advanced generation eight-wheeled, amphibious, armored personnel carrier that will support expeditionary maneuver warfare by enhancing tactical and operational mobility and survivability. The Marine Corps plans to procure 694 vehicles: 204 in the first increment and 490 in the second increment. Our plan is to have our first battalion initially capable in the 4th Quarter of FY20 and all battalions fully capable by the 4th Quarter of FY23. Your investment in this program provides the Marine Corps with an advanced ship to shore maneuver capability for the Joint Force.

Joint Strike Fighter (F-35)

The F-35 is a fifth generation fighter that will replace the Marine Corps' aging tactical aviation fleet of F/A-18 Hornets, AV-8B Harriers, and EA-6B Prowlers. The F-35 will have a transformational impact on Marine Corps doctrine as we work to both do what we're doing today better and "differently." The Marine Corps plans to procure 420 aircraft: 353 F-35Bs and 67 F-35Cs. The first F-35B squadron achieved initial operating capability in July 2015, and our second squadron will become operational in June 2016. The Marine Corps plans to complete its F-35 transition by 2031. We believe the Congressional support investment in this program will pay significant dividends for the capabilities of the Marine Corps and the Joint Force.

CH-53K

The Marine Corps' CH-53K "King Stallion" helicopter will fulfill the vertical lift requirement for amphibious and Joint Forcible Entry Operations. This CH-53 transition is critical to increasing the degraded readiness of the CH-53E community and decreasing the platform's operations and maintenance costs. The Marine Corps plans to procure 200 aircraft. The program achieved Milestone B in December 2005. The CH-53K's first flight occurred in October 2015 and our two aircraft have flown 25.8 hours.

Command, Control, Communications, Computers and Intelligence (C4I)

The modernization and technology effort of the Marine Corps requires an integrated network that is deployable, digitally interoperable, and supportive of rapid advancements in technology and the evolution of combat capabilities. The Marine Corps Enterprise Network (MCEN) establishes a comprehensive framework requiring the development of command and control architecture to simplify and enable operating forces to use services in a deployed environment. The priority is to provide worldwide access to MCEN services from any base, post, camp, station network, tactical network and approved remote access connection. Our goal is to provide an agile command and control capability with the right data, at the right place, at the right time.

Digital Interoperability (DI) is the effective integration of Marines, systems, and exchange of data, across all domains and networks throughout the MAGTF, Naval, Joint, and Coalition Forces, to include degraded or denied environments, in order to rapidly share information. This is a vital step in linking the MAGTF and the Joint Force to get the vast amount of information collected on all platforms into the hands of the warfighters that need it; in the air, on the ground and at sea.

The Marine Corps' goal is to retain our tactical advantage across the range of military operations with today's and tomorrow's systems. Our end state is to field and operationalize ongoing programs and continue to develop solutions that will enhance institutional capabilities and retain our tactical advantage across the ROMO.

Our Challenges

The character of the 21st Century is rapid evolution. Our potential adversaries have not stood still, and it is imperative that we keep pace with change. Two years ago, the 35th Commandant, came before Congress and testified that:

*"...the 36th Commandant will reach a point, probably two years from now, where he's going to have to take a look at that readiness level and say, I'm going to have to lower that so that I can get back into these facilities that I can't ignore, my training ranges that I can't ignore, and the modernization that I'm going to have to do eventually. Otherwise we'll end up with an old Marine Corps that's out of date."*¹

This is where we find ourselves today. The Marine Corps is no longer in a position to generate current readiness and reset our equipment, while sustaining our facilities, and modernizing to ensure our future readiness. The efforts of the 114th Congress have provided sufficient resources to support the Marine Corps' near-term readiness and we thank the Congress for this fiscal stability. However, PB17 increasingly stretches the Nation's Ready Force. We are deploying combat ready-forces at a rate comparable to the height of our commitment to Operations IRAQI FREEDOM and ENDURING FREEDOM; we are facing future facilities challenges as we try to sustain our current installations; and we are struggling to keep pace as our potential adversaries rapidly modernize. This is not healthy for your Marine Corps or for the security of our Nation.

The Marine Corps is now on its way down to 182,000 Marines by the end of fiscal year 2016. Although our recruiting force continues to meet our recruiting goals we are challenged to retain certain occupational fields like infantry and aviation. The 21st Century demands capabilities in 5th Generation Fighter Aircraft (F-35), Cyber Warfare, Information Operations, Special Operations, Embassy Security Guards, and the Security Cooperation Group that advises and assists our allies and partner nations. The Marine Corps must continue to develop and retain these capabilities with quality Marines.

In last year's FY15 budget we were compelled, due to fiscal pressures, to limit and reduce training for our operating forces. In this year's FY16 budget our operation and maintenance funding was further reduced by 5.6%. This reduction has been carried forward into our FY17 budget. Two years of fiscally constrained operation and maintenance funds will force us to employ a prioritized readiness model for our deploying forces and prevents us from our desired readiness recovery, both in operational training and facilities sustainment. This means the Marine Corps will not have as deep and as ready a bench to draw from for a major contingency.

Modernization is future readiness. The recapitalization of our force is essential to our future readiness with investments in ground combat vehicles, aviation, command and control, and digitally

¹ Gen Amos. Posture of the United States Marine Corps. CMC, Mar 2014.

interoperable protected networks. We have important combat programs under development that need your continued support. The Amphibious Combat Vehicle (ACV) will replace our Amphibious Assault Vehicle (AAV), which is now over four decades old. The Joint Strike Fighter will not only replace three aging platforms, but provides transformational warfighting capabilities for the future. Our ground combat vehicles like the Light Armored Vehicle (LAV) have an average age of 33 years and our M1A1 tanks have an average age of 26 years. The Marine Corps is grateful for Congress' support of our wartime acquisition and reset efforts of the MRAP, HMMWV, and the contracting of the Joint Light Tactical Vehicle (JLTV). In summary, the increasingly lean budgets of FY16 and FY17 will provide increased readiness challenges and cause shortfalls in key areas. This reality will force tradeoffs.

Conclusion

*"One fact is etched with clarity; the Marine Corps, because of its readiness to fight, will have a vital role in any future war."*² Senator Mike Mansfield

Marines will continue to meet the high standards the American people have set for us. As responsible stewards of the Nation's resources, the Marine Corps remains committed to its auditability in order to provide the best Marine Corps the Nation can afford. We will therefore continue to produce highly trained Marines, formed into combat-ready forces, and provide the capabilities the Joint Force requires. The wisdom of the 82nd Congress as reaffirmed by the 114th Congress remains valid today - the vital need of a strong force-in-readiness. Marines are honored to serve in this role.

Marines are innovators and the history of the Marine Corps is replete with examples of innovation out of necessity. With the continued support of Congress, the Marine Corps will maintain ready forces today and modernize to generate readiness in the future because when the Nation calls, Marines answer and advance to contact.

² Hon. Mansfield. Fixing the Personnel Strength of the United States Marine Corps, Adding the Commandant of the Marine Corps as a Member of the Joint Chiefs of Staff. 82nd Congress, 1st Session, House of Representatives, HR 82-666, 30 Jun 1951.

FLEET SIZE IN RELATION TO CURRENT THREATS

Mr. FRELINGHUYSEN. Thank you very much, General Neller. Our focus today is on the Navy and Marine defense posture, but a lot of that is formed by the growing defense posture of both Russia and China, and this committee has been devoted in a variety of different settings to learn exactly what the Russians and Chinese are doing.

For a time when I first got on the committee, we sort of looked at the Chinese as not as great an adversary because of what we always regarded as our overwhelming superiority. But today, we see what they are doing around the world, and whatever we do, we need to get it right. And I wanted to get to the issue, which I mention to you often, Mr. Secretary, that numbers matter. The ships, I know you have been caught in some degree of crossfire, but in reality, we have the smallest Navy we have ever had. And then there is talk of, and there has been some action out of the Department of Defense to lower certain ship numbers. We need a mix. Where are we going? And are we fully capable of meeting our needs given what the Chinese are doing aggressively, and what the Russians are doing aggressively?

Secretary MABUS. Mr. Chairman, you just made the points I have been trying to make, but more eloquently than I have. We deal with the fleet size we do today because of decisions made 10, 12 years ago. It takes a long time to build a ship. It takes a long time to build up a fleet. And I am very proud of where we have come, primarily, with the help of this committee to move to validated need from our Force Structure Assessment of 308 ships by 2021. And it is a good mix of ships. We are building two Virginia-class attack submarines a year. We are building two DDG 51s a year. We are, in this budget request, asking for our next big-deck amphibious ship to build to the Marine need of at least 33, but preferably 38 amphibis, and to—

Mr. FRELINGHUYSEN. I am interested in the numbers. I think we are also interested in their capabilities. We are going to have a smaller fleet, and I understand we have set a high goal for more ships, a better mix. If we don't have the numbers, what are we doing to add to capabilities?

Secretary MABUS. Well, number one, Mr. Chairman, we are getting the numbers. It just takes us—

Mr. FRELINGHUYSEN. You are getting the numbers in large part because of this committee; instead of one-and-a-half Virginia class submarines, we demanded two. And if we had our power we would probably have a higher number.

Secretary MABUS. As I tried to thank you for doing that, primarily due to this committee, to Congress, we are on track to—we are there in terms of the contracts signed, in terms of authorizations, appropriations, we will get to 308 ships by 2021. So what the debate is about is about whether we keep that fleet, whether we keep it past 2021, whether we add to the capabilities, and in this budget request, we have requested money for the Virginia Payload Module, to increase the capabilities of the Virginia class.

We are moving from littoral combat ships to the frigate which has greatly increased lethality and survivability. What this budget

request has done with the LCS is preserve decision space for the next administration and Congress.

LITTORAL COMBAT SHIPS

Mr. FRELINGHUYSEN. Well, the Secretary of Defense has ordered a reduction in the number of littoral combat ships, so how does that measure up?

Secretary MABUS. Well, because we have two shipyards that make these littoral combat ships.

Mr. FRELINGHUYSEN. And may I say, the committee is very keen on supporting our industrial base, not only for those ships, but for other ships.

Secretary MABUS. So are we. Because if you lose shipyard workers, if you lose that industrial base, it is almost impossible to get it back. And the recommendation in the budget is for two littoral combat ships in fiscal year 2017. What this does is keep both shipyards healthy, keep both shipyards open, and preserve decision spaces as to how we go forward from there.

The decisions about what to do, the number of littoral combat ships, the type of littoral combat ships, will not be made by this administration. They will be made by the next administration and by Congress. And this allows the decision space for the next administration and for Congress to go in whatever direction they want to, with a healthy industrial base when you make that decision.

Mr. FRELINGHUYSEN. Mr. Visclosky.

DOMESTIC SHIPBUILDING INDUSTRIAL BASE

Mr. VISCLOSKY. Thank you, Mr. Chairman. Mr. Secretary, you ended on industrial base, and that is what I would like to direct my line of questioning to. The current fiscal year 2016 bill, which passed on the floor of the House with this committee's support as well as the support of the Senate full committee, contained a general provision that prohibited the use of funds to award a new TAO(X) program contract for the acquisition of certain components, unless those components were manufactured in the United States.

The components included auxiliary equipment, including pumps, shipboard service; propulsion equipment, including engines, reduction gears, propellers, cranes, spreaders. Both the House and Senate committees agreed, and I appreciate the support of the committee and the chairman on that issue. During conference, the Navy requested a waiver of that option to procure an engine with sufficient power to propel the ship based on design specifications, and in the end, in conference, the Secretary was given that ability to request a waiver.

I would remind my colleagues that the ship involved here is a fleet oiler. And I don't diminish the importance of fleet oilers. But this is an oiler, this is not an attack submarine; this is not a nuclear aircraft carrier; and we are seeking waivers. I am reminded every time the subcommittee gets a request for waivers for such purchases by the entire Department of Defense that we have a significant problem. And my concern here is that we are buying rocket engines from the Russians because we don't have that capacity in the United States of America. If we are now seeking waivers for engines for oilers for the United States Navy, I am wondering if

the industrial base that was in place that propelled our country to victory in World War II, is adequate going forward. And my first question is, what actions did the Navy take to make sure that the prime on this contract did everything possible to find an engine made in the United States of America for an oiler?

Secretary MABUS. Congressman, I absolutely share your concern about the industrial base in the United States. And one of the things that we have seen, as the number of shipyards has decreased, as the number of suppliers to those shipyards has decreased, that many times, we are down to one supplier of critical parts. And if something happens to that supplier, we don't have any place to go in the United States.

I do not ask for waivers for things like this lightly, because the industrial base that has driven not only the Navy and Marine Corps, but America forward, has to be preserved to the maximum extent possible. The only time that I ask for waivers is if there is no American product which meets the specifications and the specifications are driven by what those ships have to do.

Mr. VISCLOSKY. And I appreciate it. If I could ask, I assume the Navy also talks to the prime and says, show us that this is impossible to do before we give you the waiver that—I assume you, yourself, are satisfied, but are we putting pressure on these contractors that you have got to look hard, and that there is just nobody that makes an engine for an oiler in the United States of America that is acceptable?

Secretary MABUS. I know that our contracting officers, and the Assistant Secretary for Research, Development & Acquisition, Mr. Stackley, are well aware of the need for American products. And there are not many places that we have to ask for a waiver, but there are, sadly, a few.

Mr. VISCLOSKY. If I could, just one more question, Mr. Secretary, on that. Let us assume for the sake of argument, this engine is going to be procured elsewhere. Is there a process within the Department of the Navy to then talk to, if you would, the Secretary of Defense, as well as come to the Appropriations Committee, Congress, authorizers, and say, we have a problem going forward. If we are lacking today in propulsion systems, somehow we have to figure out how to make that investment to encourage that. Our committee is investing in rocket engines today because we don't have that capacity.

Is there, at that point, when you ask for the waiver, an acknowledgement that we have a problem, is there some communication going on both within the Department, as well as to the Congress, that we have an initial problem and we don't want it to become worse?

Secretary MABUS. I know there is that system inside the Department of the Navy. And if the concern, if the part is a big enough concern, then certainly, we will consult with Congress on how to fix this. There is a thing called the Defense Production Act that says that if we don't have something that we need for national defense that is produced in the U.S. at scale, that with Congress' help, we can invest in it. And we have used DPA for various things, including manufacturing of certain parts for our ships and aircraft.

Mr. VISCLOSKY. Thank you very much. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. I think we need a reinforced response here to get your oar in the water here.

Admiral RICHARDSON. If I could—

Mr. FRELINGHUYSEN. I think it is important here. We are going to go to Mr. Crenshaw, and Ms. McCollum.

Admiral RICHARDSON. Sir, I think also, just in support of the Secretary's comments, some of the strategies to do sort of block-buy approaches, where you are buying many ships, you know, at once. Not only is that the most efficient way to get ships for the best price, but it also instills a sense of confidence in the industrial base that there will be a consistent, predictable investment. It allows them to invest, and so we appreciate the work of the committee to, you know, provide that type of flexibility so that we can go in, provide long-term confidence that will grow, you know, or strengthen that industrial base even down to some of those sub-tier providers that are, you know, in many senses, as the Secretary said, really, literally hanging on by a thread.

Mr. FRELINGHUYSEN. We are on your side here.

Mr. Crenshaw, then Ms. McCollum.

LITTORAL COMBAT SHIP

Mr. CRENSHAW. Thank you, Mr. Chairman. Secretary Mabus, welcome back. The chairman mentioned you are the longest serving Secretary of the Navy since World War I, and I think you are also the fifth longest serving Secretary of all. In the old days, they had some really long-serving Secretaries, so we worked together over the years on a lot of issues about ships and planes and submarines. Thank you for your service and the folks that you represent.

Admiral Richardson and General Neller, first time here, but I am sure the Secretary has given you his secret notes on testimony before the subcommittee, so welcome to you all as well.

You know, there are so many things that the Navy does that we have worked on together over the years, and when I look at the budget this year, you see things that you can talk about for a long time in terms of—you have mentioned them, the Ohio Replacement class, the cruiser modernization, the P-8s, the E2-D Hawkeyes, the LCS, but I want to focus, and the chairman mentioned the question of ships and that numbers matter, and the littoral combat ships, which has been described as the Navy's ship of the future. We had a meeting last week with the Secretary of Defense, Mr. Carter, and one of the things that he has done, is say, we ought to end littoral combat ships acquisition at 40 instead of the original 52.

And I asked him, I said, is this something that is based on a short-term budget analysis? Or is this, is there some broader reason that has to do with national security? And I wasn't clear about the answer, but I do know that you all requested, I think, in your shipbuilding budget, 52 ships 2 years ago, and then this committee said, well, let's do a really detailed study to make sure that is right. You did that and reiterated the fact that 52 was the number that we needed.

And so I guess my question is, to start with, as we focus in, has that requirement changed? That initial 52 from the warfighting analysis you did? Has that changed?

Secretary MABUS. It has not. We have a validated requirement for 52 LCSs.

Mr. CRENSHAW. Well, do you know, is there any sort of analysis that you know of, if it is not your analysis, is there some sort of analysis that has been done that would indicate that we need less?

Secretary MABUS. I don't know of any Navy analysis that has been done that indicates that.

Mr. CRENSHAW. I got you. Well, Admiral Richardson, let me ask you real quick. You know, there is also kind of, I think, a mischaracterization of the LCS. Any new ship program has issues and questions just any time you do that, and there have been questions around the LCS. But it seems to have been characterized in some corners as maybe not as critical as it could be in warfighting. It is more like a present ship, like a patrol boat. I think that the Secretary of Defense used the term, is a very good lower-end ship, which I would hope is a mischaracterization.

So maybe you could tell this subcommittee, number one, what part the LCS is going to play in the warfighting plan? And also, maybe talk about some of the new capabilities, make sure that we are aware of some of those new capabilities that it brings to this warfighting capability.

Admiral RICHARDSON. Sir, as the Secretary said, the validated requirement remains for 52 small-surface combatants. The LCS is the current program that fulfills that commitment, and those ships play a vital role as independent actors. As you know, the LCS has deployed already and has done terrific work on those deployments, and has a vital role in our meeting, you know, warfighting scenarios as well.

You know, they are not, they never were designed to be, you know, the one and only ship. They operate alone for some missions and in concert with the rest of the battle fleet for others. But they provide our central capabilities, not only as a surface combatant, and we are enhancing our capability there by virtue of the small-surface combatant task force which resulted in the modifications, improvements, and lethality, and survivability that will be incorporated into the ultimate frigate design. We will back-fit those capabilities as much as possible into all of the LCSs.

They provide an antisubmarine warfare capacity, both with their helicopter, their towed arrays, and then they also provide a role in the mine countermeasures mission. So, a very flexible ship. And as the Secretary said, the Force Structure Assessment, that process by which we determine the size of the fleet remains valid at 52. The fact that we are truncating at 40, I think, reflects, you know, the hard choice, the extremely hard choices that we had to make to deliver this budget.

Mr. CRENSHAW. Thank you. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Ms. McCollum, and then Ms. Granger.

THE ARCTIC REGION

Ms. MCCOLLUM. Thank you, Mr. Chair. Secretary Mabus, and Admiral Richardson, we are becoming more and more aware of the

Arctic as a rich resource environment that is feeling the full effects of climate change. The melting sea ice has opened up new navigable waters in the Arctic and it has changed the strategic calculus in the region. The world is seeing Russia aggressively reassert a naval presence in the region, creating a joint Arctic command in 2014, and conducting military exercises in the region last year.

I am concerned that the Arctic is a strategic area that is ripe for Russian expansion, directly challenging our national security interests and those of our allies. As you are well aware, the United States only has one operational heavy icebreaker, that is owned by the Coast Guard, and the Coast Guard is working to build a second one. Russia is building 14 more.

Now, this deficit has to seriously impact our ability to conduct search and rescue operations and maintain a maritime presence in the region. The Navy's 2014 to 2030 Arctic world map from February 14 states, and I quote, "While the region is expected to remain a low-threat security environment, while our nations resolve differences peacefully, the Navy will be prepared to prevent conflict and assure national security interests are protected," end of quote.

A lot has happened, and Russia has been very aggressive over the past several years. So given the recent developments in Russia's military posture, does the Navy still consider the Arctic region to be quote, "a low security threat" because this committee has been told over and over again recently, that Russia is lighting up its coastal waters, and that Russia waits to see how assertive, how aggressive, and how strong, especially the United States is in the region, in making this calculus.

So could you please tell me what specific investments in the 2017 budget has the Navy made to address the issue of Russia's military expansion into the Arctic region?

Admiral RICHARDSON. Ma'am, I couldn't agree with you more that the Arctic is becoming an increasingly strategic area, particularly as the Arctic ice cap recedes, those waterways are opening up for twice as long as they were before. That is exposing continental shelves and the resources on them to that. We remain committed to staying on that roadmap to enhance our ability to operate in the Arctic. With respect to icebreakers, we are working very closely with our partners in the Coast Guard. That part of the mission will remain theirs. The security part will remain ours. And we have had a steady presence. In March, the Secretary and I will go up and participate in what has been an ongoing exercise program in the Arctic where we send our submarines up there to surface through the ice, continue to do research, and ensure that we can operate up there. We are right now, General——

Ms. MCCOLLUM. If I could go back to the icebreakers. So there is one operational icebreaker, that one goes down, there isn't a second one. So we are relying on calling someone else. If the Navy has a ship that is stranded in the area, the Coast Guard with an icebreaker would come in to help, correct?

Admiral RICHARDSON. The Coast Guard runs our icebreakers. Yes, ma'am.

Ms. MCCOLLUM. And there is one. And there are plans to build another one. Are two icebreakers sufficient for all that the Coast Guard is charged with, I mean, in the area?

Admiral RICHARDSON. I think the Commandant of the Coast Guard has been very articulate in saying he is not satisfied that that is enough.

Ms. MCCOLLUM. Is the Navy satisfied?

Admiral RICHARDSON. We are right there with our Coast Guard partners saying that we need to enhance, increase our number of icebreakers.

Ms. MCCOLLUM. I just pause this out for the committee. You know, if we were to ask for another icebreaker, either from the Coast Guard, or direct the Navy, that is now considered—would that be considered an earmark if it wasn't in the President's budget, Mr. Chair?

Mr. FRELINGHUYSEN. I am all for asking for more. I think we are getting our clocks cleaned in the Arctic. Russians are doing all sorts of bad things, staking claims to areas that actually are under different sovereignties. We need to get moving here. I am all for it.

Ms. MCCOLLUM. Thank you, Mr. Chair, because waters and weather conditions can make, you know, being able to have a response time critically impactful in the region. And we just want to make sure that the Coast Guard has the tools it needs to fulfill its mission, but you also have what you need to do to fulfill yours—thank you, Mr. Chairman.

Admiral RICHARDSON. Thank you, ma'am.

Mr. FRELINGHUYSEN. Ms. Granger, and then Mr. Ruppertsberger.

READINESS

Ms. GRANGER. Thank you, and thank all three of you for being here and for serving so well and the people that you represent. I had an amazing opportunity yesterday and I know you did too, to go to the White House to see the Congressional Medal of Honor awarded to Edward Byers. And you talked about the right people. There couldn't be anyone more right than that man and his enormous courage. So what it did to me, you know, when you do something like that you say, okay, am I doing everything I can do to support?

And so we need to be always aware of the people that serve, and make sure they have the equipment also, the right equipment and the right people. You talk about readiness, and it took me a while on this subcommittee before I realized that readiness is not the same everywhere for all of the branches.

So could you explain, specifically, when you just—you talked about it—but on those top priorities, what is the readiness and what does it mean to the Navy, and then what does it mean to the Marine Corps? Looking at those things that you think are so important, and how do our budget shortfalls affect those priorities? Admiral.

Admiral RICHARDSON. Ma'am, thanks for that question. And readiness for me is one of the things which both General Neller and I are most concerned, and it has, even within the Navy, it has many dimensions, if you will. One aspect of readiness is the ability to repair our ships on time, and so our ability to get our ships through the public and private shipyards on time and on schedule is key to getting them back out to sea where they belong at that level of readiness.

Similarly, our ability to, you know, train our people to make sure that they come through the deployment cycle and get a chance to go into the schools and get the training that they need, then come together as a team, join their units and work up together and deploy together is another very important part of our readiness. This is particularly true with our pilots, for instance, which are dependent upon, you know, flying hours, getting in that aircraft and doing the time they need at the high end to make sure that they deploy fully ready.

And so, there is a further readiness dimension that involves munitions. Do we send our forces forward with the right weapons, and this is an area where we have, frankly, been taking risk in terms of, you know, the numbers of munitions that we need to fully execute the scenarios that we are called to do. And then there is, you know, the supply parts and everything else. Just the basic logistics.

And so in all of those areas, you know, if you add all of that up together, our requirement is to have two carrier strike groups ready at any time, and three ready to go within 30 days. That is our reinforcement force that will go out and supplement those initial two that respond immediately.

The ability to do that has been challenged. It really started back in 2007, when we started those long deployments, you know, 10 months became almost the norm in terms of deployment. It was further exacerbated by sequestration in 2013, which put just a tremendous divot in the system with the hiring freezes, the overtime caps, et cetera, our ability to get through all of those. We are still recovering from that. And those are, you know, investments that we have to invest in to make up for lost time. Right now, we are right at sustainment, and so our ability to recover that readiness keeps moving out to the right. It was 2020. This year it is, you know, beyond 2020, because we are just having a hard time closing that readiness gap. And I will defer to General Neller to talk about the Marine Corps.

Ms. GRANGER. Thank you.

General NELLER. Representative Granger, thanks for the question. As the CNO said, readiness is kind of a compilation of a bunch of different variables. People, training, equipment, the readiness or maintenance of that equipment, ammunition, transport. I mean, the term that we use in talking to the chairman is joint comprehensive readiness. And that is more of the joint force. So, long story short, 15 years of war, no longer have large numbers deployed, still have Marines and sailors serving with Marines deployed, and the readiness of the force was, you know, was somewhat degraded. It is much easier to recover the ground side of readiness, than it is ship readiness or heavy industrial base things like airplanes.

So if you asked me today what is the readiness of your Marine Corps, I would say on the ground side, it is trending up. We would, as a goal, like to have 80 percent of our units ready to go. We are not quite there, particularly on the aviation side. The Congress has given us \$5 billion to reset our ground equipment. We have got about 79 percent of that complete, and about 50 percent of that equipment is back to the force.

So, I am not where we want us—where I want us to be or where we want to be, but we are trending the right way. Aviation is a little different story. It is a long part of sequestration, part of long flight hours, part of not bringing stuff back as fast, to reset it as we should have, the F-35 being late.

So our aviation readiness is really my number one concern. We don't have enough airplanes that we would call ready basic aircraft. That means we are not getting enough flight hours. People join the aviation community to fly. So we have a plan, and we are also in the midst of recapitalization of every model type series. And each of those aircraft are in different places. MV-22, probably the furthest ahead; the CH-53, just beginning the process.

So we have a plan. I think we have kind of reached the bottom of this trough of readiness. Last week, the CNO and I went out to the fleet readiness center at North Island in California where they refurbish F/A-18s. They are making progress. There has been money put into that. But I hate to say money is something that can fix it, but it is money and time. And so, we are confident that over time, this is going to get fixed. So you add procurement, you add refurbishment, we need to get more airplanes on the ramp so people can fly and maintain their training readiness. So not where we want to be, but we are trending the right way, but it is not going to be something that happens tomorrow.

Mr. FRELINGHUYSEN. Thank you, Ms. Granger.

USS "FORT WORTH"

Secretary MABUS. May I say one thing about one specific ship?

Mr. FRELINGHUYSEN. Yes.

Secretary MABUS. The USS *Fort Worth* has just had a terrific deployment to the Pacific, and we attribute most of USS *Fort Worth's* success to its sponsor.

Ms. GRANGER. Well said. Thank you very much.

Mr. FRELINGHUYSEN. That is a very important attribution. Thank you. Mr. Ruppertsberger, and then Mr. Calvert.

CHINA'S ANTI-ACCESS AREA DENIAL CAPABILITIES

Mr. RUPPERSBERGER. Sure, as everyone on this committee, I thank you all for your service, your leadership. Secretary Mabus, I mean, you reach out, your leadership, your priority with respect to all of the men and women, and we have been in good hands for a long while.

I want to—and this question probably is to you or Admiral Richardson. I would like to begin by addressing the ongoing activities of China in the South China Sea. Regardless of whether or not China would like to admit it, they are militarizing the South China Sea. And I believe that the consensus, at least, I think in this room, is that the militarization and the denial of access to the area in the future is China's intent.

Now, although the United States Navy continues to operate in these waters, I am concerned about how effective these operations will be in deterring the continued militarization of their area. And while I understand the importance that freedom of navigation exercises have, and reassuring our allies in that area, it seems that has

not served as a deterrent against the continued Chinese militarization of reclaimed islands in the region.

Now, my question is, what other strategies has the Navy considered as deterrents against the continued Chinese placement of anti-access area denial assets in the region; and two, have any of these strategies, or future strategies, been deemed unfeasible due to budgetary limitations, including the issue of sequestration which it seems, at least for 2 years, we have a hiatus, but we still have to address that issue?

Secretary MABUS. Congressman, I will give you sort of a general overview, and then I will turn it over to Admiral Richardson for more specifics. But that sea with as much transit as is going through it is—we have to make sure that we ensure freedom of navigation, that everybody can go through there, and we can make a pretty good argument that Asia is doing as well as it is today economically because of the United States Navy, because we have kept that open.

What my job is, what Admiral Richardson's and my job is, is to make sure that we have got the assets there for any strategy; that we have got the—whether it is ships, submarines, aircraft there, so that as our leaders weigh what strategies to employ, that the assets are not only available, but that are there, and that is the presence that the Navy and Marine Corps give this country.

And that is why it is so important to continue to keep the fleet size that we know that we need. That is why it is so important to continue to do the rebalance to the Pacific with moving 60 percent of our fleet, which will be there by 2020, and it will be a much larger fleet.

But that is the job of a service Secretary, a service chief is to make sure that those assets, that those options are available to our leaders as they make the decisions of what sort of strategies to employ.

RESOURCES AND SEQUESTRATION

Mr. RUPPERSBERGER. But don't forget, I want to address the issue of whether or not we have given you the resources, and if you could address the issue of sequestration, because it is still there 2 years from now.

Admiral RICHARDSON. Sir, I just, I will reinforce what the Secretary said that, you know, in the context of the rebalance to the Pacific, the Indo-Pacific, really, you know, this South China Sea challenge should be appreciated in that. And not only are we sending 60 percent of a bigger fleet—and we are on track to do that, we are on our program—but also, you know, our higher-end capability is going out there as well. So it is not just numbers. And it gets back to what the Secretary said. It is, you know, it is about options and it is about credible options. You have got to have something there to have an option, and that thing has to be capable enough to be credible.

To the question of resources, you know, I work very closely with Admiral Harris and Admiral Swift, our commanders out there in the Pacific to make sure that if they see any kind of a challenge with respect to resources that would hinder or impede the number

of options they have, that we address that right away. We are not seeing that right now, sir.

Mr. RUPPERSBERGER. So you are getting resources. Now, can you address the issue of sequestration? We can't let that go.

Admiral RICHARDSON. Absolutely. The sequestration, the specter of sequestration would set us back irreparably across the Navy, whether it be readiness, force levels, capability, that would just—we have got to get to a point where that sword of Damocles is not hanging over our head.

Secretary MABUS. The sequestration that happened in 2013, both the CNO and the Commandant had mentioned this before, but it put us in a hole in terms of readiness of our ships, because of our shipyards, the public shipyards that get backlogged, and particularly in our aircraft. It is going to take us until 2019 to catch up with that backlog, and sequestration was a big part of that.

Mr. FRELINGHUYSEN. You are not looking for 8 more years, are you? Mr. Calvert and then Mr. Israel.

ACQUISITION PROCESSES

Mr. CALVERT. Thank you. Thank you all for your service. Thank you, Mr. Secretary, for 8 years as a Secretary of the Navy. Thank you for your service.

I would like to talk a little bit about Navy acquisition. Admiral, you have been talking about this for some time, to speed up the acquisition efforts, keep pace with the evolving threats, it is too slow, it is too costly and too complicated. Additionally, by the time the fleet sometimes receives that equipment, many times it is already outdated. So we would like to have you inform us about the processes you are putting in place to improve that process.

Also, Mr. Secretary, you mentioned the amphibious assault ships. I think we are down to 30, I have been told you need at least 34 to make it work. I understand about one-third of the 30 aren't operable for one reason or another. So, obviously, that is troubling. So as we are talking about the acquisition process, is the assault ship one of the top ships you need to get moving, to get this new LX(R) available to the Marines to make sure that we can stay proficient?

Admiral RICHARDSON. Sir, I am happy to answer your question, and welcome it on the acquisition and the need to speed that up. With the Secretary's encouragement, we started a number of initiatives that will get that going.

First, to address urgent needs and make sure we are not missing a trick, a technology or a solution. We have established a rapid prototype, experimentation, and development process that really has—will adjudicate those urgent needs or opportunities. It doesn't have to be expressed in a need, and will allow us to bring together technologies, engineer them together in creative ways, prototype them quickly, run through a bunch of options, get them out to the fleet sooner so that they are in the hands of sailors and Marines, and that is when learning really starts. We will figure out quickly which ideas have merit, which ideas just don't, which are dead ends.

And by doing that type of experimentation approach I think much more quickly, I believe, with confidence, that we will get to

solutions that will translate to programs of record much more quickly, and we will be more competent in the technology that emerges.

Once they enter that acquisition stream, we are also establishing the Maritime Accelerated Capabilities Office, MACO, to allow a speed lane, if you will, for those programs that qualify, that are sufficiently mature, and can get to the fleet, to the delivery sooner. And so we are leveraging a lot of the techniques that the Air Force's Rapid Capability Office uses. And we look, by virtue of that, to get technology into the hands of the warfighter more quickly, and then gradually, transition more and more programs over into that speed lane, if you will, so that we can just respond at the speed of the environment, at the speed of technology, at the speed of our competitors.

AMPHIBIOUS ASSAULT SHIPS

Secretary MABUS. On amphibs, I would say we are up to 30 now, because we started below that. We do have a validated need for the Marines for at least 34, 38 is preferable, because to get two battalions of Marines across the beach in contested entry, that is from the available ships, that is what it would take. And a third being unavailable, or in maintenance, is pretty standard for all ship classes across the fleet. You have got to do the maintenance, that has been one of the problems that we have had is we have had such high operations tempo that we haven't done enough of the maintenance to make sure that these ships live out their useful lives.

We will get to 34 by 2024, and to the current plan, as you would thank the Congress for LPD-28, which is the 12th LPD, which allows us, then, to go to the LX(R), the replacement for the LSD on the same hull form, so we will be able to build those cheaper and faster going forward.

While they don't replace, in any sense, amphibious ships, we have got some other classes of ships that can assist in amphibious operations, things like the expeditionary transfer dock, the expeditionary sea base. Two of the first kind have been built, three of the second kind are being built, the second kind has a flight deck on it. It can be used as a sea base, as a prepositioning for equipment, as a place to offload, particularly Marine equipment and supplies.

The Expeditionary Fast Transport, the former joint high speed vessel, can also be used for getting Marines and their equipment places very fast. Now, the ships that I just mentioned are not combat ships, they are civilian—they are not built to survivability standards, they are not supposed to be, but they can help ease a little bit of the burden, because we can put them places that today we are having to use amphibs. Amphibs are probably too much of a ship there. And we are planning on hubbing the expeditionary transfer docks in the Pacific around Japan and Korea, and we are planning on hubbing the expeditionary fast transports around Japan and Singapore.

Mr. CALVERT. Just one last comment, Mr. Chairman, we are all very proud of the shipyards of Mississippi and Maine, but we do have a little shipyard in San Diego, NASSCO, that we are also very proud of. They do great work down there.

Secretary MABUS. I am so proud of NASSCO and the ships that they deliver to us, and the prices that they have driven down, thanks to a very innovative workforce.

Mr. FRELINGHUYSEN. Well, I am sure the accolades are well deserved like they were for Fort Worth. I would like to confirm what the gentleman opined, the issue of operability here. What is operable and what is not operable that he was referring to in his initial comments? I would like the specifics.

General NELLER. Let me.

Mr. FRELINGHUYSEN. Very briefly.

General NELLER. Yes, sir. I keep track on a weekly basis of the maintenance schedules where all the amphib ships are. Obviously, we have equity in that. As the Secretary said, there are 30 ships, we are going to go to 34; the requirement is 38, because we anticipate 15 percent in the yard. Of the ones that are in the yard today, sir, I think a good percentage of them are in for routine maintenance and could be gotten underway if needed. So the Navy—we understand the maintenance requirements of the Navy so we are working really hard because we have a requirement to get on board those ships to train. So with the CNO and the Secretary, we are trying to be creative in how we use Marines and get them afloat, whether it is in these alternate platforms. At the end of the day, the requirement that is validated is 38 amphibbs, to have 34 or two Marine expeditionary brigade forcible entry capability, but we will use these other platforms because a lot of things we do at theater security cooperations, humanitarian assistance disaster relief, NEOs even, we can do off these other ships.

Mr. FRELINGHUYSEN. Thank you, General.

Mr. Israel and then Mr. Womack.

PERSIAN GULF

Mr. ISRAEL. Thank you, Mr. Chairman. I would like to focus on the Persian Gulf, another strategic area. And then if I have time, I may ask about the professional military education, one of my favorite topics, something you all know about. General Neller, in particular, at Marine Corps University. And Admiral Richardson, you and I have exchanged some Naval history books, and I appreciate that.

On the issue of the Persian Gulf, two areas, one long-term, strategically, I am interested in your views of Iranian maritime challenges and threats in the region of the Persian Gulf, Naval threat. And then more specifically, I would like you to comment on the incident that occurred in January when 10 sailors drifted into Iranian waters. They were arrested, they were questioned, they were released. I want you to comment on how that happened. If there are technical problems with deficiencies that lead our sailors into dangerous waters, what are the backup systems?

And third, what have we done with respect to assessing the ships that were temporarily captured to ensure that there is no malware, or other threats, or technologies that may have been installed or somehow appended to those vessels?

Admiral RICHARDSON. Sir, thank you very much for the question. With respect to the long-term future of Iran, just the geography of that region gives one concern, and Iran has been acting with ma-

lign intent across several different vectors, whether it is short-range or medium-range ballistic missiles, whether it is anti-ship coastal defense cruise missiles, you know, across the spectrum. And so we applaud the agreement that would eliminate a nuclear threat from Iran, from our perspective, so much has not changed in terms of what we have to do to watch Iran, secure that region for safe passage of the resources through the Strait of Hormuz, and operating in the Gulf.

With respect to the incident in January, it just shows you—first of all, those sailors, by international law, should not have been captured and detained. I think we made it very clear that that behavior is not consistent with international law. And, so, another indication of the type of threat we are dealing with there.

With respect to the details, the questions that you asked, that investigation is still in progress. We will get to every one of those questions that you asked for, sir. And we are looking at all of that. We have examined those boats. We are digging back down into exactly the concerns you have, and when that investigation is complete in the near future, I look forward to coming back and briefing the committee, in detail, on what we find.

Mr. ISRAEL. Admiral, is the near future next month? Next year? Give the committee a sense.

Admiral RICHARDSON. Month. We are talking months, sir, 1 or 2 months. I think we can get to that.

Mr. ISRAEL. Mr. Chairman, I hope that we will invite them back to do a brief.

Mr. FRELINGHUYSEN. I think this and the whole rules of engagement, the things we heard anecdotally, the things we hear from sailors that are—confrontations that occur in these regions make it apparent to some that we are not meeting those types of challenges, but absolutely, we would love to have you come back when the full evidence is on the table.

Admiral RICHARDSON. Mr. Chairman, you said it. There is a lot of talk about this thing, that is why we need to go through the disciplined process of a formal investigation so that we can find the truth of the matter and address what we find.

Mr. FRELINGHUYSEN. We don't want our sailors ever treated in that manner again. There should be some repercussions, maybe not to them, but perhaps to others.

Mr. ISRAEL. If I may just continue on the subject of the Persian Gulf. During the negotiations of the JCPOA, there were assessments that Iran was behaving in a more responsible fashion. I opposed the deal. There were assessments that Iran, during those negotiations, was not engaging in particularly belligerent or provocative behavior. Can you give us an assessment as to whether there has been any increase in provocation against any of our Naval assets in the Persian Gulf since the agreement has been signed?

Admiral RICHARDSON. Sir, it is something we watch extremely closely. It does ebb and flow, not just with respect to the negotiations surrounding that agreement, but just in general. And so, if we may be seeing some kind of a local increase, it has not risen to any historical unprecedented levels, but it is something that we continually address as well, sir. We can't condone or even leave these situations unaddressed.

So I work closely with General Austin in Central Command and our Naval component out there to make sure that we are addressing those as they happen.

PROFESSIONAL MILITARY EDUCATION

Mr. ISRAEL. And in deference to the committee, I have some questions on professional military education and I know you understand the value of that, and I am hopeful that you continue to address the value of professional military education, the software, as you are addressing many of the hardware——

Mr. FRELINGHUYSEN. We are going to try to get a second round in. Mr. Womack, and then Mr. Graves.

SUBMARINE AND WEAPON CAPABILITIES

Mr. WOMACK. Thank you, Mr. Chairman.

Once again, like the rest of my colleagues, Secretary Mabus, I really appreciate the work that you put into your time there as Secretary over these number of years. I am sure you are not going to miss looking at this group beyond this hearing, but, again, thanks for your long-standing service.

To General Neller and to the Admiral, welcome. And, Admiral, to you personally, thank you for the wonderful breakfast that we shared at your home at the Navy yard recently. It was a delightful morning, enjoyed meeting your wife and had a great meal. I particularly liked the way the chef did the onions in that particular offering. That is kind of some inside humor.

Mr. FRELINGHUYSEN. This is on the record. I am sure his better half will appreciate that.

Mr. WOMACK. I say that as I say inside humor there.

And to my chairman, I would like to thank him for the encouragement to do some travel and have some interaction with our military counterparts. So to my chairman, I would like to thank you for that.

I have had the unique privilege of being able to do two demonstration and shakedowns, one in the Atlantic and one in the Pacific, aboard the *West Virginia* and now aboard the *Kentucky*. And it is along that *Ohio* replacement that I want to ask my question. I am kind of a capabilities person. I know that in constrained budget times, we have to look very closely at our capability, particularly in some of the areas where we have proliferating threats.

So help me understand the technological advantage that we presently have. And if you look across the future years defense program, what we call the FYDP, where you see the potential for parity to begin to enter the equation if it hasn't already with some of our adversaries?

Secretary MABUS. Once again, I am going to give an overview, and then turn it over to our submariner here. But in the areas that we look at, and the technological advantages that we have. We have got two majors, one is technological, the other is what Congressman Israel was talking about, and that is our sailors and Marines who operate these things and keep them up to speed.

But we own the undersea worldwide. Other countries, China and Russia in particular, are fielding advanced capabilities. I think the *Virginia* class, with its technologies and its capabilities, and par-

ticularly as we improve on those, the *Virginias* that we are building now, are vastly improved from the *Virginia*, the first of its class. The *Ohio* class replacement is going to leverage a lot of those technologies that *Virginia* now uses. And in this budget, we have asked to start the VPM, the *Virginia* Payload Module, that will be put in every *Virginia* starting in 2019, going forward to give it more capability, more flexibility, it can deliver more cruise missiles, for example, out of that, or other things, because this will be a multi-mission capability.

In terms of weapons, the Secretary of Defense announced several weeks ago that we are looking at repurposing some of the weapons that we have now, like the SM-6, which is an anti-air weapons and anti-ballistic missile weapon to being a countership missile, and that will complicate our adversary's designs pretty dramatically.

We are also investing a lot in other future weapons capabilities, things like lasers. We have a laser in the PONCE in the Arabian Gulf today that is a 30 kilowatt. It has been tested. It has been there for almost 3 years. It can disable a small boat or a drone. We are now building 100 to 150 kilowatts of laser weapon as a follow-on, the electromagnetic rail gun, which is a game changer. We are getting ready to test it this year before deploying it on some of our ships.

And in the longer range, we protected science and technology money. We protected research and development money for things like unmanned, our unmanned system of vehicles for these weapons that may be a little more costly, like the railgun or the—well, the laser, but once operable, are very, very economical, we are talking dollars per shot instead of millions of dollars per shot. And as we are doing that to what the CNO said, we are trying to rapidly get these things to the fleet, the rapid prototyping. Do the initial testing here or on shore, but then get them to the fleet, let sailors, let Marines test them in far more operational conditions, see what works, succeed faster or see what doesn't work, fail faster, instead of going through the years-long process, and then beginning the operational testing.

So I think that looking forward, we are facing more threats and more competition from countries than we have in years, since the days of the Cold War and your peer competitors. But I think that given the trajectory that we are headed on, that as long as we don't have the previous question, a sequester or some large disruption, as long as the *Ohio* class replacement is funded in a way that doesn't disrupt every other program that the Navy has, I think that we can proceed with a good bit of confidence.

THREATS TO NAVY PLATFORMS

Mr. WOMACK. I know I am out of time. I would like a quick comment. I realize the security level that we are here, the classification level, I know we can only talk generally about it, but specifically, my question is, where do we see threat, U.S. parity on a key platform?

Admiral RICHARDSON. Yes, sir. So I don't think a moment of comfort, and words like "ownership" and "dominance," I asked my team to stop using that language, because it just doesn't keep us hungry enough to fight for every inch to maintain our superiority. I would

say that if you look across the Navy, you can talk in surface, aviation, undersea, and also in the information domain, which includes cyber, the pace is the issue. And in every one of those things, as we strive to move into what I describe as maybe the fifth generation of warfare, we are outpaced right now. And so, that is why the Secretary and the Commandant and I are so focused on this aspect of speed, because while we do enjoy a margin of superiority now, that is perishable. And if we don't pick up speed in each of those four areas, we are going to be challenged.

This also includes high-end weaponry, that is why we invested almost \$1 billion in research and development to look at advanced weaponry, so that our weapons are pacing this threat, pacing the environment as well. So it is really across the board. And if we do not come through these pacing issues, I just—I am concerned that we are going to fall behind.

Mr. WOMACK. Thank you, Admiral.

Mr. Chairman, I would say this as I yield back my time, a great enemy of pace is sequestration, as I think everybody around this dais understands and we have got to find a solution. I yield back.

Mr. FRELINGHUYSEN. With that said, the gentleman from Georgia, Mr. Graves.

“OHIO” CLASS SUBMARINES

Mr. GRAVES. Thank you, Mr. Secretary. Admiral, thanks for being here. Following up real quickly on the submarine question, the *Ohio* class. First let me just say that I am pleased to see it has been requested in the budget, and that there is a commitment from the Navy for the replacement program. I think we are all in support of that. And this should be a top priority for all of us.

Knowing that the youngest of the subs currently is at 18 years, and I know there have been some extensions, I think it is safe to say most are near their service life or towards the end of it. And so, real quickly, knowing that the timeline is quite potentially 14, 15, 16 years away from having the first replacement in service, what is the plan from the Navy to maintain the current fleet and to provide the abilities that are necessary today until the first ones are ready?

Secretary MABUS. As you pointed out, Congressman, the *Ohio* class itself has been extended, it can't be extended any more. And that is why we have got to start building the first one in 2021, it will go on patrol on 2026 or 2027 to replace the first one that is coming out. Then our plan is to build 12 of those submarines over a 15-year period to replace one—well, it won't replace one for one, because we are building 12 to replace 14. The reason we are doing that is because the *Ohio* class had to be refueled midlife, the replacement will not have to be refueled. So we will have basically the equivalent of two submarines by not having to go through that refueling.

Mr. GRAVES. So you feel confident that you will be able to bridge that gap, this replacement gap with the current fleet as replacements come online?

Secretary MABUS. Yes, I do.

Mr. GRAVES. Without any additional delays?

Secretary MABUS. We have, ever since I have been here a long time ago, have known when we had to start building the first one in order to replace those that are coming out of service.

Mr. GRAVES. Thank you.

Admiral RICHARDSON. I can add on top of that, I think you identified that this is a program that is at the red line with respect to risk, and we can't afford to delay for a day the Ohio Replacement Program. Neither can we neglect to ensure that we continue to invest in the current Trident fleet which will be extended to 42 years, longer than we have ever extended any other submarine class. And so, it is the great work that goes on in Kings Bay and Bangor to keep those ships maintained and going back to sea so that they can conduct their mission, execute DASOs, those sorts of things that are absolutely critical. Then we are coming to the end of the number of Tridents that need to be refueled, but we need to continue to invest in our shipyards for that major maintenance that gets them into the second half of their life.

CYBER THREATS AND RESPONSES

Mr. GRAVES. Right. Thank you. The second question that has been a great focus of this committee recently has been cyber, and how is everybody adjusting to the new theater that exists and that we are coming to know unfortunately more and more and more of. I know the Navy created the cyber awakening task force because of some instances that had occurred in previous years. Can you tell us a little bit about that, what the outcome has been, and has the desired outcome been achieved and how do you see that moving forward?

Secretary MABUS. The outcome of that cyber awakening is a program called CYBERSAFE, and it is how do you protect the most valuable parts of our military, and our ships, and our capabilities, and it is a defensive depth. I can get you a much more detailed briefing in a different venue for exactly how we are doing this. But overall, we are standing up, Navy is, 40 cyber mission teams to fold into cyber command which is DODY, about half of those will help our operations, and about half are for the combat commanders to do that.

We are recruiting differently in terms of looking for those special skills. We are redesignating some of the billets that we currently have, so that we can get and then keep these cyber warriors, because you are right, this is the future of warfare. CNO has done a lot of deep work on this and has been, I think, making a lot of progress on it. And the Marines, as they draw down to 182,000, one of the areas that they are increasing is cyber.

Mr. GRAVES. Okay.

Admiral RICHARDSON. Yes, sir. If I could just pile on to that a little bit. As the Secretary outlined, there is a people component to this, standing up the cyber mission teams that can respond to operations and warfighting in that domain. I will tell you, as you know, sir, it is game on in that domain. That is going on right now today. And so we are recruiting, training and hoping to retain that highly skilled workforce. I will tell you there is probably no place in the industrial base that is more competitive than people with these

keen cyber skills. And so we are grateful for every one of those sailors that stays with us.

The task force cyber awakening did transition into CYBERSAFE. Our general approach, kind of at this level of classification is that we will look to harden the network, reduce its outward facing interface, reduce its vulnerability, its target service, if you will. So we will kind of harden the outer shell, reduce and harden that, and then nothing is completely leakproof in this world. And so we have got to be ready to detect any kind of infiltration through that barrier, and then respond to isolate that as quickly as possible. So that is generally how we are going. We are making some serious investments across the budget, the entire FYDP to get to that level of both people and infrastructure to support that.

Mr. GRAVES. Thank you. Mr. Secretary, thank you for your many years of service, decades I know, and wish you well in your next chapter.

Mr. FRELINGHUYSEN. The gentleman from Florida, Mr. Diaz-Balart.

LARGE SURFACE SHIPS

Mr. DIAZ-BALART. Mr. Chairman, thank you very much. A lot of my questions have already been answered. I want to just, again, first thank the three of you for being here and more importantly, for your service.

Admiral, you spoke about the worrisome issue of pace, of keeping up, and you mentioned that you spent some time talking about the submarines, which is one of the things I was going to ask about. If you would, if you could talk to us a little bit about the large surface ships and how we are doing there, what are the plans there to make sure we are not falling behind?

Admiral RICHARDSON. Sir, that is a great question. And so, in our large surface combatants are guided missile destroyers (DDGs) and cruisers. We have got a modernization program that really brings us into the fifth generation across the board. So from their combat system and combat radars, we are advancing into what we call Block 9 of the AEGIS combat control system, and we are on pace to do that as quickly as possible really. And so that has been a keen priority of us.

Similarly, in the electronic countermeasures world, we have got systems coming on to those to make them more resilient to withstand and prevent being hit by an incoming weapon.

And then, finally, as the Secretary mentioned, we are doing everything we can to repurpose and advance the offensive weapons that they carry. So repurposing the SM-6, for instance. And then, we are also enhancing the large surface combatants' ability to connect and work with other forces in the Navy, whether those be strike aircraft or other surface ships, submarines, networking that altogether so they can combine in new and creative ways. You have heard, I am sure, this concept of distributed lethality; similarly, we have the NIFC-CA innovative fire control counter air, which is the Navy aviation piece. We are looking to stitch that all together to one sort of integrated fires and effects network.

FORCE STRUCTURE ASSESSMENT

Mr. DIAZ-BALART. Mr. Chairman, just also briefly, I believe it was you, Admiral, or the Secretary, talking about maybe having to reconsider some actual number of submarines, because of the new threats.

Admiral RICHARDSON. Yes, sir. As we have discussed, the way we do that is by virtue of a force structure assessment which examines the combatant commanders' needs, the warfighting needs, and the theater campaign plan. It is really an aggregate of trying to figure out the demand signal. The last time we did that for the whole force was in 2012, and we refreshed it in 2014. But back then, we did not have a resurgent Russia, we did not have ISIL to contend with, the Chinese challenge was in a much different place. And so, I have directed that we open a recommission, we restart a study. We take a look at what are the current war fighting demands, the current demands, the missions that we are tasked to achieve, take into account the updated threat environment, and look forward to delivering that new Force Structure Assessment as soon as it is done.

Mr. DIAZ-BALART. Mr. Chairman, again, thank you, but since I got on this committee, I have been really depressed, because every time that you look at where we are vis-à-vis the rest of the world, it is—the challenges are just huge. And I understand that tough choices have to be made for fiscal decisions, but I hope that we do get back to a position where decisions could be made, strictly not on fiscal—when we are talking about defense, not on fiscal constraints, but on actual need. And clearly we are not there. Thank you, Mr. Chairman.

MARINE CORPS FOOTPRINT

Mr. FRELINGHUYSEN. I have a few questions for General Neller about where the Marines are.

Your footprint around the world. When I think about the battle for Fallujah, the sacrifices there, things happening and problems apparently going badly. When I recall the sacrifices of all our military, but particularly Marines, what are we doing today in Iraq and Afghanistan in the Middle East, the Marine contribution? Do you have lower numbers, talk about readiness if you are always ready? What is the footprint? Your footprint around the world?

General NELLER. Chairman, there are probably 31-, 32,000 Marines forward deployed, counting those west of the international date line in the Far East. In the Middle East right now, you have a Marine Expeditionary Unit that is in support of the combatant commander, you also have a Special Purpose MAGTF, and then we have some adviser teams that are directly involved with the support of the Iraqi security forces.

I would say that we are actually making progress in Iraq, albeit slower than we would like. We also have a Marine in command of a special operations task force there on MARSOC. So I am in contact with these officers, weekly, if not daily, and they keep me up to date so that in my Joint Chiefs of Staff hat I understand what is going on. So the securing of Ramadi was facilitated by some coalition Special Forces Marines that are in there. So there is—I don't

want to get into numbers, but Special Purpose MAGTF, about 2,500, a good portion of them are in Iraq. The MEU, our MEU is about 2,400 Marines, and another equal number of sailors.

We have aviation in the region, along with Naval aviation, which is part of the strike package. So they are fighting, they are in there, and supporting the mission there. We have got a small number of Marines in Afghanistan advising the Georgian battalion, that do force protection at Bagram Air Force Base.

As was mentioned, the Arctic was mentioned earlier. Right now in Norway, there are about 2,000 Marines exercising with about 10 other coalition countries in Norway, up above the Arctic Circle. So we haven't been there as much as we used to go there. We have prepositioned equipment in the caves. So I am sure others are watching that we are back in Norway, training with the Norwegians and the U.K. and other countries, and we plan to go back there, because just as we are concerned about the Arctic, our Scandinavian partners and our NATO partners are also concerned.

In the Pacific, there are actually two MEUs deployed, or underway. The 31st MEU out of Sasebo and Okinawa, and the 13th MEU, which deployed off the west coast. They are headed to relieve the east coast MEU in CENTCOM, but there is a major exercise going on in the Korean Peninsula, in support of General Scaparrotti, Key Resolve and we will composite those two MEUs and do a major amphibious landing as part of that exercise, which, again, will bother the young man that leads that particular country, north of 38th parallel. We are mildly interested in what he thinks.

MARINE CORPS AVIATION

Mr. FRELINGHUYSEN. I know there are adversity boots on the ground, but boots that are on the ground around the world are declining, and not to take anything away from our special operators joint effort, but those numbers spiked up there, and they do remarkable work while others historically have done some remarkable work. Can you talk a little bit about the aviation piece here? I know you have a huge dependence on aviation. You have got the joint strike fighter, your fighter that has been particularly designed for your crews. Can you talk a little bit about where we stand in terms of readiness?

General NELLER. We are going to—there are three versions of the joint strike fighter for the Naval force, it is the B, which is the STOVL version and the C, which is carrier version. The program of record for us is 420 aircraft, 67-C and the rest Bs. We have one operational squadron that will deploy in Japan this January. We will form another squadron this year. The airplane has aeronautically a sound talking to the air crew. I know there are concerns about where we are with the software. But we are iterating the software. We were down at the vendor, Lockheed Martin, a few weeks ago talking to them and expressed our desire to go faster, provide us more spares. So the aircraft is going to get better, but I think the real test is when you talk to the air crew that are flying, they are very, very positive and they are very, very excited. I think it is going to change for the Naval force what we can do. So now you ask where are the carriers? Where are the MEUs? Now

you ask where are the Ospreys because you have an unfueled flight radius of over 500 miles, and basically globally deployable rotary wing aircraft that can take Marines anywhere in the world. Now we are going to put F-35s on an amphib ship. A fifth generation aircraft that can put most, if not the great majority of integrated air defenses around the world at risk. That is going to fly off an amphib ship.

To go back what the CNO said about command and control and iterating the ships, we are going to have to look at amphibs in a different way, because they are going to have to have the command and control to link them to the rest of the fleet as a warship, as opposed to just a ship that hauls around Marines and their stuff.

So we see great opportunity here, the F-35 needs to get the 3-F software. We are going to hold the vendor accountable for that and keep pressing them for that. We need a new airplane, and we need to refurbish our old and that is kind of the place I think all the services find themselves in is you have to maintain your legacy.

Mr. FRELINGHUYSEN. Recapitalizing.

General NELLER. Recapitalizing, and you are buying new, and then when you take somebody—whenever you give somebody a new piece of kit, they have to kind of go off. It takes us 18 to 24 months to take a squadron down, give them a new airplane, train them up and then put them back out there. So we are going through that right now with every model type series we have. And so it is going to take some time. My concern is that we get enough aircraft that are flyable and our air crews get enough time to fly because people join the service; if they want to be aviators, they join to fly. We know at the same time, all our commercial air carriers are hiring.

Mr. FRELINGHUYSEN. It is—

General NELLER. Delta told us they are going to hire 900 pilots this year. So I am concerned about that which goes back to the people.

Mr. FRELINGHUYSEN. Thank you very much. Mr. Visclosky.

SUICIDE PREVENTION EFFORTS

Mr. VISCLOSKY. Thank you, Mr. Chairman. Two questions. The first has to do with the 21st century sailor and Marine initiative. And gentlemen, I would want to thank all three of you. Over the last couple of years I have expressed concerns about the efficiency of the Department's resiliency program, particularly as it relates to suicide prevention. All of the departments have stayed in very close touch with our office, and my sense is very focused on the initiative and moving forward. Could you just briefly tell us, Mr. Secretary, where that is? And then, I have one more question.

Secretary MABUS. The entire initiative, as you know, is to bring all the programs that relate to resilience, readiness or our people under one roof, so that we can see if things cut across, issues. On the suicide prevention piece particularly, we have, in the last year, trained 800 people to be at virtually every command that we have that can recognize warning signs, that can provide intervention and that can provide assistance. And we are working not just in that lane, but also in educating all our sailors and all our Marines to recognize the warning signs that one of their shipmates may be getting into trouble, maybe contemplating something like this.

We are also trying, after people leave the service, to continue that care. That if they did seek and receive some care for a potential like that, that we keep in touch with them for at least a year after they get out so that they are not just left stranded after they leave.

And the other things that we are doing under 21st century sailor and Marine sexual assault prevention, we have got a myriad of programs there. One of things that has just popped up, and I have told the committee, I mentioned this last year, one of the things that cuts across many of these is alcohol, is alcohol abuse for sexual assault, for child abuse, for spouse abuse, for suicide, and for readiness.

The reason that we put in for both the Navy and the Marine Corps breathalyzers, so that instead of just doing drug tests, we are doing breathalyzers. It is not a punitive thing, but if somebody pops going to work, they have still got alcohol in their system, and if they do it more than once, we are going to get them some help.

So the Marines keep what you have earned, you don't lose it, you don't make a life-changing, life-threatening or career-changing thing for that. There are many other programs in that 21st century sailor and Marine. I will be happy to come brief you, or get you a complete written assessment of what we are doing, but it seems to be working.

DEPOT MAINTENANCE

Mr. VISCLOSKY. I appreciate that narrowing of focus. If I could, Admiral, just on depot maintenance, I understand there is a backlog and there is an increased request for 2017. I assume there are a number of ways you solve that problem. One, a decrease in tempo, I don't see that happening. I am not suggesting there is any new money anywhere. But if there were additional monies, could they be put to use? Is there a capacity to use and eat into some of that backlog you have?

Admiral RICHARDSON. Yes, sir. I will tell you that we are really looking to, one, make sure that the shipyards are fully manned, and Congress has been very supportive. We are on track to hire up to 33,500 workers across all of the public yards. And so, that will address some of the aircraft carriers and submarines taking longer than scheduled to get out of maintenance. We are also investing in the shipyards' infrastructure, and, so, any additional resources that we can get just allows us to invest in that infrastructure faster, smooth out work lanes, and that sort of thing.

As well, many of our surface ships, non-nuclear surface ships, are maintained in private yards. A critical part of our industrial base is our repair yards. I have had a chance to visit many of those around the country, San Diego, Hampton Roads area, and they are terrific. But they also need to rely on consistent funding, predictable funding so that they can do the planning, and they can do the capital investment that allows them to get better as well and get our ships through on time. We are digging out of a hole in that area, in particular, in surface ship maintenance. It is critical we stay on this path. And so we very much appreciate the support of Congress there.

Mr. VISCLOSKY. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Ms. Granger and then Ms. McCollum.

PIVOT TO THE PACIFIC

Ms. GRANGER. Thank you. Mr. Secretary, several years ago, some time ago, the administration announced the pivot to Asia and a congressional delegation went to Darwin, Australia a year or so later to see what kind of change had been made at that base. I don't—well, I know we are responding now to the Chinese aggression and militarization in that area, but did I miss it? I can't see that there is anything else that went along with the pivot. Did I just miss it, or am I correct?

Secretary MABUS. Well, in terms of military equipment and people of the Navy and Marine Corps, as I said before, we are moving 60 percent of our fleet to the Pacific, that is up from about 54 percent before. We will be there by 2020 and it will be a much larger fleet. As CNO said previously, we are putting our U.S. most advanced assets there. The P-8s are going there, the DDG-1000s are going there. We are putting an additional submarine into Guam and an additional submarine tender into Guam. We are putting in two additional DDGS with ballistic—antiballistic missile capabilities into Japan.

We are going to forward station for littoral combat ships in Singapore. For the Marines, you mentioned in Darwin last year and this year, we are putting about 1,200 Marines into Darwin on a 6-month rotational basis to train not only with the Australians, but also with other countries in the region. That will grow over the next few years to a full MAGTF, which is about 2,400 Marines and all their equipment. This is an all-of-government rebalance to the Pacific. But in the military sense you can see, as General Neller said, we have 22,500 Marines west of the international dateline. We will keep that number west of the international dateline. And so, we are moving more ships, more ships from a bigger fleet, a bigger percentage of our fleet from a bigger fleet, and we are moving the most advanced capabilities that we have as soon as we get them, they go to the Pacific first.

Ms. GRANGER. Thank you.

Mr. FRELINGHUYSEN. Ms. McCollum and then Mr. Crenshaw.

MATERNITY LEAVE POLICY

Ms. MCCOLLUM. Thank you, Mr. Chairman. I have two questions following up a little on what the ranking member asked. But I want to start out with what I heard Admiral Richardson say at the beginning of his testimony, that we want to do right by our people. So Secretary Mabus, last July, you implemented a new maternity leave policy that extended fully paid maternity leave for Navy and Marine Corps to 18 weeks. And I commend you for making maternity leave a priority.

Last month, Secretary Carter announced a new Department of Defense-wide maternity leave policy that would set it at 12 weeks. So where this was good news in doubling the maternity rate leave for Army and Air Force, it reduced by 6 weeks, 6 weeks, maternity leave for women in the Navy and Marine Corps who are not currently pregnant.

So I am concerned that the Department of Defense's new policy rolls back a more progressive position with Navy and Marine Corps investing in women and families. We have heard you gentlemen speak quite often about keeping retention and recruitment. Our women and men in uniform are the most important resource that we have, and we must build a fighting force that retains these investments.

So Secretary Mabus, you had a reason for making that decision to set the Navy and the Marine Corps maternity leave at 18 weeks. What went into that decision?

Secretary MABUS. We would lose twice as many women as men between about the 6-year mark to the 12-year mark in both services, the Navy and the Marine Corps. And it was to try—it is almost always to have a family. In a dual military couple, it is almost always the woman that leaves. We thought expanding maternity leave was an effort to do two things: One was to keep these sailors and Marines, to keep them from having to make the choice between family and service, to keep those mid career, or 7-to-12 year people that we have invested so much money in. We have invested millions to train a pilot or a submariner, or a surface warfare officer or cyber warrior. And if we can keep a woman, in particular, during—instead of leaving, number one, we will save money; number two, it as rating decision, because if we keep that 9-year sailor, we don't have to replace that sailor with a brand new recruit.

And so that was the thinking that went into the expansion. And we did a lot of research in terms of the private sector and where they had found the most success.

Ms. MCCOLLUM. Thank you, Mr. Secretary. I appreciate what you did by really looking at mid career women in particular, and by extending for those women who found themselves in the family way currently the 18 weeks. I have to think that there were women who might have been making a decision to reenlist in that based on what I think was a wise policy that you had in July who might be thinking now that they would have made a different decision.

So Mr. Chair, when it comes to the sexual assault and the maternity leave issues, and some of these family issues, I know that the authorizers are working on that quite often, but it is a really a cost-benefit analysis to the investment that we make out of this committee in what people have referring to as the soft power.

Thank you for answering the question, and I want to learn a little bit more about how this may be effective to women if you are doing the surveys after how the women felt about the change in policy, which was taken out of your hands. Thank you, sir.

Mr. FRELINGHUYSEN. Thank you, Ms. McCollum. And appropriators are just as committed and interested in this subject as are our authorizers, and it will be reflected in our bill through your good efforts, and also Ms. Granger.

Yes, Mr. Crenshaw.

ANTI-ACCESS AREA DENIAL CHALLENGES

Mr. CRENSHAW. Thank you, Mr. Chairman. We talked a lot about ships today. Obviously we talked about the Navy and we talked about submarines. I know you have other programs that are vital

to our national security. The Chairman touched on airplanes, P-8s, the E-2D Hawkeyes, the Growler. And as I understand it, you have China getting more modern, and Russia getting more aggressive in new areas, one of which I have read about called anti-access/aerial denial, A2/AD. I think it is a term that was used to confuse our adversaries, as well as Members of Congress. It is hard to say.

But tell us a little bit about that whole challenge, and then how we are meeting with some of the other assets we have like the Growler, like the E-2D Hawkeye. I think we would all be interested in knowing what those programs are and how they are meeting these new challenges, and are they being supported by the 2017 budget request?

Admiral RICHARDSON. Sir, I thank you for that question. We achieved perfect operational security, even we don't know what we are talking about. So thank you for that compliment.

The idea of area denial, A2/AD, is really generated by, again, our competitors taking advantage of some of these forces that are operating in the technology and information domain, where it is just becoming easier, much easier, to have a weapons system that can detect a target at great range, can assign a weapon to that target, and then strike out to hundreds of miles with great precision.

Now that takes an entire sophisticated chain of events to make all that happen. And as we respond to that, we are responding across that entire kill chain that we call. So you really have to, from the very initial detect to the end game, defeating any kind of weapon that is coming in, you have to dissect that entire sequence and take it down wherever you can.

You mentioned aircraft. Aircraft are a huge part of that. In terms of aircraft, you mentioned E-2D and the Growler, both of those play a vital part. They are fully supported in the budget, the fifth generation aircraft, the F-35, the Commandant mentioned the Marine Corps version, the vertical takeoff, we are asking for 10 more F-35Cs, the aircraft carrier version of that in this budget than we did in our 2016 request to kind of move ourselves into the fifth generation with respect to aircraft. And so, this budget fully supports looking at those technologies, it will help us defeat that anti-access/area denial type of a net with confidence so we can continue to have access wherever we need it to push the fight forward.

I would like to take a moment, too, sir. We have talked a lot about depot capability, and the Commandant mentioned this. Oftentimes we talk a lot about shipyards, but our aviation depots are absolutely critical to maintaining the ready aircraft so all of the pilots can fly. So just like in ships, we are making up for a backlog in, particularly the legacy Hornets and some of the helicopters that are working through depots. We are investing heavily in making sure the depots are funded to their maximum capacity. We are bringing on new artisans, and they truly are artisans that work on these aircraft. And we are also enlisting help from the private sector, Boeing and L-3, as specific to increase the throughput to get out of this backlog of maintenance and aircraft, and get more aircraft on the flight line that are ready to fly.

So additionally, because we have been flying the Super Hornets more, they are reaching the end of their life faster, so we have re-

quested additional Super Hornets, both in 2017 and 2018, to help us get to where these F-35 purchases can start to pick up the load. And so it is really kind of a three-dimensional process, moving our legacy Hornets and other aircraft through the depots, buying some Super Hornets to help us accommodate and make up for the increased use of those aircraft, and then bringing this F-35, other fifth generation aircraft like the E-2D and the Growler that will make us relevant in that fight.

Mr. FRELINGHUYSEN. Okay, I want to make sure that members have a chance to a second round here. Mr. Israel, any comments or questions?

Then Mr. Womack.

PROFESSIONAL MILITARY EDUCATION

Mr. ISRAEL. Yes, thank you. Very briefly. On the issue of professional military education, most of this conversation has been about platforms, hardware technologies. If you could all very briefly comment on whether you think we are investing enough in training and ongoing education. Specifically, as a matter of career retention, offering opportunities, enhanced opportunities to learn should be an effective retention strategy. If you would all comment on that very briefly.

Secretary MABUS. I will give you one very specific program that we announced this year. We are going to take 30 slots for officers around Lieutenant, or Captain level, and pay for their graduate-level education, and we have already got people studying now at Harvard, Yale, and Dartmouth under that. And they are chosen by their commanders as the people with a lot of runway in front of them, a lot of career prospects. And we want to use this as one of the ways to keep them in the military.

Mr. ISRAEL. Thank you.

General NELLER. I would just say that it is a very inexpensive way to maintain the professionalism, and the capability of the force is to continue to educate. So you train for the mission; you educate for the future. And so we are committed that we have, whether it is educational opportunities like the Secretary mentioned, professional military education for officers, and I think one thing that we have done better, but we need more work on, is for our enlisted force. Very, very, very smart people, and I don't think we are stressing them as much as we probably could to get more out of them.

So I would like to see, you know, more of our enlisted force because they are deployed. They are busy. And to ask them to get an associate or a bachelor's degree is a heavy lift, but because of the way the world is and because of the capabilities we are going to use, and the things that we are going have to be able to solve, and the problems, I know they have the capability and the motivation to do that. We have just got to create a better environment for them to have that opportunity.

So we are committed to that, because it is, in the overall scheme of things, it isn't a lot of money, and it is going to maintain the quality of the people, and it is going to keep them in. And that is really the most important thing is, we don't have to keep them all.

We have got to keep enough of the very, very best that are going to lead us into the future.

Mr. FRELINGHUYSEN. Well spoken. Mr. Womack.

AVIATION SHORTFALL

Mr. WOMACK. Two quick questions. One is a follow-up to Ander's question about Super Hornets. There were two in the 2017 request, and I think there were 14 out in the 2018 request. Is there a capability gap in that timeframe at all?

Secretary MABUS. Well, we have also, in our unfunded priorities list, asked for an additional 14 in 2017. But the way the budget was structured, the two for 2017, the 14 for 2018, gets us a good way down the road to where we need to be for the industrial base, for the line, the F-18 line having only two in 2017, presupposes some international sales. And if those don't materialize, to keep the line hot, we would need to move aircraft into there.

MILITARY PAY INCREASE

Mr. WOMACK. I understand. And real quickly, we haven't talked about military pay and compensation. The budget request, 1.6 increase, I think a half a point below ECI. Are we sending a message to our men and women in uniform, and what would that message be?

Secretary MABUS. My understanding was the 1.6 was above the rate of inflation, and the message we were trying to send was we value you. We value what you are doing for this country. And it is not just pay. It is also the benefits that, like education, like the new GI Bill, for not only the military, but for their families. It is things like childcare. It is things like making sure that families are resilient. And what we are trying to do is make careers more flexible, make them very competitive with the private sector.

Now, we are not the private sector. We do a very different mission than the private sector. But the CNO pointed out, cyber, people that come out with the IT capabilities that we need in cyber, have a lot of job opportunities. One of the things that we offer is the ability to serve. But we have to be competitive in some other ways, and the last thing I would say is something that the CNO has talked a good bit about today.

And that is, as I go out and do all-hands calls around the fleet, which I do a lot, of course, I get questions about retirement, and salary, and benefits. But I don't get as many as I do about stability. Let us know that we are going to—give us some stability in terms of where we are going as a force. Am I going to still have a job in 5 years? Are you going to significantly reduce the size of the Navy or the Marine Corps? What is going to happen to me in the future? Give me some certainty.

And that would—that is what I hear a lot, and that is also what we are asking for. We deeply appreciate the 2-year agreement. However, 2 years is not very long. And the force is looking for, are you going to continue that commitment year in, year out?

Mr. FRELINGHUYSEN. Thank you. This committee is all about stability, and thank you for underlining that, and certainly, I think, the full Appropriations Committee as well. We believe in regular

order, and certainly as it affects, as it adversely affected our military in the past, we don't want to repeat that situation again.

Mr. Ruppertsberger, and then Mr. Diaz-Balart, briefly.

UNDERSEA COMMUNICATION CABLES

Mr. RUPPERSBERGER. Yeah, Admiral Richardson, when we discussed the topic of cybersecurity, and cyber warfare, it is impossible to do so without talking about the cloud. However, much of the critical global Internet infrastructure still lies in miles of undersea cables stretched across the globe. And this network is not only critical, but is vast. And there are over 550,000 miles of undersea telecommunication cables crisscrossing the globe as we speak.

Now, these cables are not only critical to the global economy, but also vital to the national security of the United States and our allies. Now, given the unclassified nature of this hearing, in your budget submission, is the Navy, U.S. Navy, properly resourced to secure these cables from sabotage and espionage? And also what are your challenges in conducting this mission?

Admiral RICHARDSON. Sir, thank you for pointing that out. And you make the point that just like traffic over the seas as choke points, you know, the Straits of Gibraltar and other choke points. So does our information system have choke points? It seems like when you log on to a computer, you have got access to the whole thing and it is free rein.

But as you pointed out, 99 percent of that Internet traffic travels over those underwater cables, and so they are vitally important. It is difficult to talk about this almost at any level in an unclassified hearing. But we are—

Mr. RUPPERSBERGER. I am aware of that. I am aware of what vessels we use to deal with that.

Admiral RICHARDSON. Right. Yes, sir. But we are focused on that, you know, with a keen edge. We are working very closely with our team over in Europe. I talk to Admiral Ferguson and Admiral Foggo, our commanders over there, frequently about this. There is a homeland defense perspective of this, and so Admiral Gortney is the NORTHCOM commander, and he and I are completely focused on this mission.

Mr. RUPPERSBERGER. Thank you.

Mr. FRELINGHUYSEN. Thank you. Mr. Diaz-Balart.

Mr. DIAZ-BALART. I will be brief, Mr. Chairman. Former SOUTHCOM Commander General Kelly had mentioned many times how he could see drugs in boats, et cetera, moving through his area of operation, and yet, just didn't have the assets to go after a number of those. And you know, illicit drugs kill tens of thousands of young Americans every year. How is your budget recommendation going to—will it be able to make a dent on that, and if so, to what degree?

Secretary MABUS. What General Kelly pointed out is the hard fact of a shrinking fleet. And as I said, we have turned that around. We are going to have more assets, and you are going to have more assets not just for the Pacific, but for these sorts of missions. And we are using different types of ships for these missions as well.

The first littoral combat ship, *Freedom*, on its way from the shipyard, basically, deployed, seized 3,500 tons of illicit drugs. We are sending vast expeditionary transports, which are very fast and unloading our Coast Guard friends to do the law enforcement part of this.

So it is—yes, it is an issue. We are building toward the fleet and part of the Force Structure Assessment that the CNO talked about, that to get to a fleet of 308 ships, include ships for SOUTHCOM, which is both the Caribbean, the Atlantic, and the Pacific in that area.

General NELLER. I will just add to that, sir, that we do a lot of work with our partners in Central and South America as far as training and building their capacity and there is other money within the Federal budget that allow us to do that counternarcotics funding. Last year, we deployed, in support of SOUTHCOM, a Special Purpose MAGTF to Honduras, that operated in and around the area, primarily to be there during the hurricane, high-disaster potential season. We are going to do that again this year.

So is that going to be enough to reduce the incursion to meet the demand for drugs in this country? Probably not. But we are trying to do what we can do within our capability and to support, now Admiral Tidd, as the commander of SOUTHCOM.

Admiral RICHARDSON. And sir, I just—you know, one more log on this fire. Where we can, you know, we do send assets down there. We were privileged to send the George Washington Strike Group around through the SOUTHCOM area, and all along, you know, both coasts of South America they worked intensely with the partners down there. They helped build their capacity and do a number of exercises, senior leader engagements, et cetera, to show our commitment to that super important theater every time we can.

Mr. FRELINGHUYSEN. Is that the George Washington that this committee put money into?

Admiral RICHARDSON. The very same, sir.

COUNTERING RUSSIAN AGGRESSION

Mr. FRELINGHUYSEN. Thank you, Mr. Diaz-Balart. I want to talk about, I know we talk about the pivot to the Pacific, and whether it is fulfilled or not. In reality, we have a pivot to Europe here. And let me say, General Breedlove landed a B-52 in our office recently in terms of some of the issues that we are facing in Europe.

What are we doing since we are moving all of these assets to the Pacific, for good reason, since we are aware that we have got a Russian aggression in all forms that are facing the U.S. Navy?

Secretary MABUS. Well, again, thanks to this committee and to Congress, because the fleet is growing, we just added the fourth ballistic missile defense capable destroyer that is going to be home ported in Rota. We have four of those that can do not only ballistic missile defense in the phased adapted approach, but also theater security cooperation, operations exercises. We do Operation BALTOPS with Scandinavia every year with a lot of ships, a lot of our partners.

The Marines, as the Commandant mentioned, have prepositioned equipment in the caves in Norway. They are going through the exercise co-response with some of our allies now. The Marine's Spe-

cial Purpose MAGTF, the one in Moron that has an element in Romania, the Black Sea Rotational Force to work with; Romania, Bulgaria, our allies there, and to partner with the U.S. Army in exercises and operations in that region.

We are, as we send Atlantic Coast carrier strike groups in and amphibious ready groups through the Mediterranean, we do work with our allies and our partners.

COUNTERING ISIL

Mr. FRELINGHUYSEN. When you were here last year, Mr. Secretary, ISIS didn't have a 150-mile bulkhead on the Mediterranean. How are we prepared to address that issue with today's Navy?

Secretary MABUS. Well, one of the things that is certain is, we don't know what is coming next. Is the uncertainty like an ISIS that we didn't know about 2 years ago? And so the only thing we can do is have enough platforms, that are flexible enough to do any mission; to have enough aircraft and weapons that go on those platforms, and to train our sailors and Marines for not just one specific issue.

Mr. FRELINGHUYSEN. We have got instability in North Africa. We have got instability in Egypt. Our NATO ally, Turkey, has a degree of instability and I would like to see some comments relative to our confidence factor that we are ready. And I am sure the Marines will be able to provide that.

General NELLER. Well, Chairman, I would say that, and the Secretary mentioned this, the Special Purpose MAGTF that was based out of Moron, and I didn't mention them as I kind of went around our force laydown. But they are a land-based force because there is not enough—we don't have an amphib ship or ships that would give them the flexibility to move around. They position their force.

We have special forces. Again, this is an unclassified hearing, but we have special forces that are operating in that part of the world, and in order to make sure that they have got somebody to back them up, those Marines position themselves during the time that they are on the other side—on the south side of the Med to react to them.

So, Admiral Richardson and I are looking at different force packaging on how we could move the ships that we have and provide a better capability for Admiral Breedlove—or General Breedlove and General Rodriguez. Clearly, they have requested an ARG/MEU to support them. And we are trying to figure out how, with the numbers of platforms we have, maybe one of these alternate platforms would be a solution or a partial solution. But you have got ISIL in Libya, and other parts, you have got Boko Haram down in Nigeria. You have got the western part of Africa, the Gulf of Guinea that the Secretary has spent a lot of time in with our partners.

So being a maritime force, and then being able to come from the sea, we can be in a multiple—we have the flexibility and agility that gets the maneuver from the sea. So I was asked earlier about amphib ships, LXR, and as the CNO mentioned, you know, I don't—I know a little bit about ships, but I know that if you build more of them at one time and you reduce your nonrecurring engineering, and we have got a proven hull form in the LPD, if there is any way that we can move any of that to the left and repeat this,

you know, it would allow us to get more ships faster, and it would kind of untether us. We are on the land because we have to be on the land. We would much rather be on ship.

Mr. FRELINGHUYSEN. We need to make those types of commitment. We need more ISR. We need eyes on the ground.

Admiral RICHARDSON. Sir, if I can just byline a little bit. The Secretary mentioned that we are going to have the carrier strike groups spending more time in the Mediterranean addressing that. And they will be fully ready to meet those threats. We are going to—you know, that is the level to which those sailors and Marines train.

But we are only able to meet half the Combatant Commander demand right now. So as we adjust to both the Russian threat and ISIL, you know, that is going to come at the expense of somebody else. And so this is why we need to do this Force Structure Assessment all over again to determine what is the proper fleet size to allow us to get at the whole problem.

CLOSING REMARKS OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. Well, gentlemen, thank you for your testimony this morning. And again, to you, Mr. Secretary, there is a cake in your future. I am not sure whether you want to display it, but it will go with you, saluting your 8 years of dedicated service to our Nation. And Admiral Richardson, General Neller, thank you for your testimony and your leadership. We are proud of the men and women that you represent. The cake is coming your way without a candle. We stand adjourned.

[CLERK'S NOTE.—Questions submitted by Mr. Aderholt and the answers thereto follow:]

LITTORAL COMBAT SHIP

Question. Please articulate the specific reasons, citing DoD studies, that justify the reduction of the LCS buy from 52 to 40. Is it the opinion of the Navy that 40 Littoral Combat Ships is sufficient to conduct the missions demanded by combatant commanders today or in the future?

Answer. The Navy's requirement for Small Surface Combatants remains 52, as determined by the 2012 Force Structure Assessment (FSA), which was most recently updated in 2014. There is no Navy analysis that indicates that 40 ships are sufficient to meet warfighting and presence requirements.

Question. How many LCS platforms are needed to meet the demand of multiple large-scale contingency plans in two theaters?

Answer. The Navy requires 52 Small Surface Combatants to meet the demand for large-scale contingency plans in two theaters.

Question. What are the negative consequences and national security risks of only procuring 40, and how will the Navy compensate for the shortage?

Answer. Until the Small Surface Combatant objective of 52 is reached, risk is manifested in three primary areas:

- Fewer Small Surface Combatants mean that ships responding to a crisis must either surge from home ports in the United States, which takes more time, or swing from other theaters where risk of conflict exists, injecting risk into that theater's ability to respond to an opportunistic aggressor. Delayed response time to a crisis enables the adversary to better set conditions in his favor and may necessitate revisions to the Joint Warfare Commander's campaign plan.
- Additionally, in the event of a shortage of Small Surface Combatants, other assets may have to be assigned the associated missions. This injects risk when the capabilities of the reassigned assets are not the same as those of the Small Surface Combatants, and also injects risk in the area from which the assets were reassigned.

- Finally, if time or events preclude waiting for the delayed arrival of the Small Surface Combatants or if no suitable alternatives are available, the Joint Warfare Commander may need to accept the risk to the campaign of not assigning an asset to achieve the Small Surface Combatant's mission.

USMC END STRENGTH

Question. Will a shrinking Marine Corps result in fewer Marines being available for Combatant Commanders to employ, or will the OPTEMPO of the Marine Corps rise in the coming years, assuming the today's demand for ground forces continues?

Answer. Current operational demand already exceeds the Service's capacity of readily available forces to meet myriad requirements across the combatant commands. Reduced end strength, therefore, simply exacerbates the challenge of trying to balance operational demands against force providing capacity and capability. A shrinking Marine Corps does not equate to reduced OPTEMPO; what it does is increase risk—to the force, mission, and institution. As the Nation's ready force, the Marine Corps is committed to providing ready forces to meet operational requirements today and into the future. As the Marine Corps reconstitutes after over a decade of prolonged conflict that focused on counterinsurgency operations, sufficient end strength is required to properly size units to effectively operate across land, air, maritime, space, and cyber space domains, and across the entire range of military operations.

USMC AMPHIBIOUS SHIPS

Question. You stated in your budget hearing that you have a validated requirement for 34 USMC Amphibious Ships, but have a preference for 38. Please draw a distinction between "validated requirement" and "preference", and why you are using these categories. Can the USMC complete its wartime mission, conducting operations in multiple theaters simultaneously, with only 34 Amphibious Ships? What are the national security risks we invite if we do not procure 38 Amphibious Ships?

Answer. The Chief of Naval Operations and the Commandant of the Marine Corps have determined the force structure to support the deployment and employment of 2 Marine Expeditionary Brigades (MEBs) simultaneously is 38 amphibious warfare ships. Understanding this requirement, and in light of the fiscal challenges faced by the nation, the Department of the Navy has agreed to sustain a minimum of 34 amphibious warships. However, Combatant Commander demand is more realistically assessed in excess of 50 amphibious warships.

Shortfalls in the amphibious warship inventory have multiple negative effects. This must be viewed as a two-faceted problem of inventory and availability. A decreased inventory has negative effects on both overall capacity and maintenance. For instance, our existing inventory of 30 ships will, at current maintenance rates, only yield approximately 21 operationally available amphibious warships at a given point in time. This puts the nation at risk of being unable to embark the 2 MEB assault echelon required for a forcible entry capability. Further, as ships are stressed due to increased use, they require more maintenance, driving up maintenance costs and compounding the problem of availability.

While this 34-ship force accepts risk in its role of providing combat support and combat service support elements of a MEB, it has been determined to be adequate in meeting the needs of the naval force within today's fiscal limitations. This inventory level also provides the needed capacity for a forward presence and a MEB/Expeditionary Strike Group (ESG) to respond to a crisis or contingency. Any shortfalls below 34 will negatively affect our ability to ensure constant presence, and our ability to immediately respond to tasks on the lower intensity end of the range of military operations with Marine Expeditionary Units.

Further, this negatively impacts our ability to serve as the nation's expeditionary force in readiness and to prevent incidents from escalating beyond small scale crisis. For instance, we have a noteworthy lack of maritime presence in the Mediterranean. To mitigate this, the Navy and Marine Corps are exploring opportunities to deploy Marines on non-combatant auxiliary platforms, a less-than-ideal workaround necessitated by the current fiscal environment. Auxiliary platforms are not a replacement to the capabilities and survivability of amphibious warships. Furthermore, this shortfall has forced the Navy and Marine Corps to explore ways to distribute elements of a single Amphibious Ready Group (ARG)/MEU across Combatant Commander boundaries to provide some measure of coverage in various regions. Again, this is not an ideal method when compared to the preferred employment of the full ARG/MEU as an aggregated three-ship force which can bring to bear its full capability.

Finally, shortfalls negatively affect our ability to train. Conducting amphibious operations with our joint services is not just a matter of putting Marines on Navy ships. Those units must have the opportunity to operate with each other during their workup to establish relationships, tactics, techniques, procedures, and build interoperability.

CONVENTIONAL PROMPT GLOBAL STRIKE (CPGS)

Question. How has the potential for a sea-based CPGS system affected the acquisition of any sea platforms, or the modification or upgrade plans to any vessels?

Answer. CPGS has not affected the acquisition, modification, or upgrade of any sea-based platforms. The Navy, supporting the OSD Defense Wide Account (DWA) effort, has received guidance that CPGS efforts should have no effect on, nor drive costs for, the VA-Class Payload Module (VPM) effort.

Question. What feedback has the Navy given DoD regarding technical requirements for the design of a CPGS system so that it might fit on a ship or submarine?

Answer. The Navy, supporting the OSD DWA effort, has performed trade studies looking at potential architectures for various future CPGS applications and basing modes—air-based, land-based, and sea-based. Understanding the constraints of all basing modes, Navy has worked with OSD on notional CPGS payload shapes and sizes.

Question. Is money being spent to prepare sea or land platforms for the future fielding of a CPGS system; if so, from what account?

Answer. Navy has not spent funds preparing any platform for future fielding of a CPGS capability.

SM-3 MISSILES

Question. I am concerned by the continued erosion in quantities programmed across the future years defense budget for SM-3 Block IB and IIA production. The lack of an inventory objective for the system makes it particularly challenging for the Congressional Defense Committees to assess actual progress toward meeting warfighter requirements. I request the Department of the Navy, in coordination with the Missile Defense Agency, to establish and report by fiscal year the inventory objectives required to satisfy warfighter requirements for the SM-3 Block TB and Block 11A missile.

Answer. (U) Standard Missile (SM-3) missiles are fielded aboard Navy ships and, recently, at the Romania Aegis Ashore facility. Navy cooperates closely with the Missile Defense Agency (MDA), which acts as the government procurement agent for all SM-3 variants. MDA has developed an in-depth, budget constrained, SM-3 missile buy-delivery plan, which results in the inventory plan shown below.

PB17 END OF FISCAL YEAR SM-3 INVENTORY PLAN

	FY16	FY17	FY18	FY19	FY20	FY21
SM-3 Blk 1/IA	101	85	60	49	37	35
SM-3 Blk 1B/TU	92	128	166	202	236	271
SM-3 IIA	0	0	2	11	12	14
Total	193	213	228	262	285	320

In regard to a Navy Inventory Objective, the Navy utilizes a Naval Munitions Requirement Process (NMRP) to establish the desired inventory for all Naval ordnance items. For SM-3 missiles, the NMRP model yields a Total Munitions Requirement (TMR) which includes ammunition ship fill, projected threat-based combat expenditures, war reserve ammunition for combat reload, as well as missiles in the maintenance pipeline. The current approved TMR for SM-3 missiles has been provided via classified means.

PERSONNEL REVIEW AND COMPLAINT PROCESSES

Question. As a follow-up to my question last year about the SWO Training Program, how do the Immediate Superiors in Command (ISIC) and Commander, Naval Surface Forces (CNSF) ensure the instructions are being followed? When a problem occurs, what documentation is there of those problems and the subsequent resolution? Can you provide a sample training plan as provided to SWO junior officers?

Answer. The Immediate Superiors in Command (ISIC) are responsible for monitoring and validating that the SWO training programs under their command are

being adequately followed. ISICs are commanded by Major Command Screened Officers, or more senior, and are Captains (Paygrade 0-6) or Flag Officers. Unit Commanding Officers (CO) are responsible for keeping their ISIC well informed of the progress of SWO qualifications within their command. Additionally, each ISIC and Unit CO receives refresher training on the SWO training program during Type Commander (TYCOM) indoctrination before they assume command.

It is not abnormal for officers to struggle meeting the requirements to qualify as a SWO. A majority of these officers will overcome their challenges with support mechanisms in place at the unit level. Tools are available to a CO and to SWO candidate officers to enable qualification. The SWO qualification program is regulated by instruction COMNAVSURFPAC/COMNAVSURFLANTINST 1412.1 (Surface Warfare Officer Qualification and Designation). This instruction directs a minimum completion of schools, qualifications, and boards within a timeline for an Officer to qualify as a SWO and subsequently be eligible for career progression as a SWO. Deviations from the minimum path to qualification are not authorized. Inabilities to meet the requirements for SWO qualification are reportable per the previously cited reference to COMNAVSURFPAC or COMNAVSURFLANT, via the ISIC. Per this instruction, an officer is required to attain SWO qualification within the first 18 months of shipboard service following completion of Basic Division Officer Course (BDOC). Naval Personnel Command (NPC) placement officers work closely with the Executive Officer (XO) of each ship to establish a rotation date for their next career assignment which is dependent upon their SWO qualification. This process provides a dialogue for the ship, ISIC, TYCOM, and NPC to assess officer progression. A CO may grant more time than 18 months to attain SWO qualification if particular circumstances listed in the instruction are met. In that case, the CO will submit a letter describing the extension and the circumstances to NPC, copying their ISIC and TYCOM. This notification enables ISIC and TYCOM oversight to assess whether the officer will be able to meet qualification requirements, and if additional support resources are needed to enable qualification.

Surface Warfare Officer School (SWOS) is the executive agent for all SWO schoolhouse training. All new accession officers attend Basic Division Officer Course (BDOC) within the first six months of commissioning. Courses are taught in three schoolhouses: Newport, RI; Norfolk, VA; and San Diego, CA.

Additionally, each ship develops individual SWO training plans to meet the requirements promulgated in the aforementioned SWO Qualification and Designation Instruction. Latitude is given to unit COs to best define how they train and qualify officers to meet the requirements of CNSP/CNSLINST 1412.1. Unit CO's are allowed the flexibility to create training exams, scenarios, and boards for qualifications to meet the minimum Personal Qualification Standard (PQS) requirements as stated in paragraph 6 and 7 of CNSP/CNSLINST 1412.1. In those paragraphs, the course requirements and PQS requirements are outlined and serve as the basis for individual training plans developed by units. CO's are also provided the flexibility to allow a variety of methods for a SWO candidate to demonstrate knowledge. This is useful when an officer is having a difficulty in an oral board demonstrating they understand the minimum standard requirements for qualification. If desired, the CO can then tailor the officer's training so further training is conducted with additional exams or other methods of demonstrating mastery of the required information and knowledge. A final oral board, chaired by the CO and composed of other qualified, experienced SWOs, will still be required; however the amplifying exams or demonstrations will allow the candidate the opportunity to demonstrate their knowledge base.

COMNAVSURFPAC and COMNAVSURFLANT, as the respective TYCOMs for the east and west coast, each have an officer assigned to manage the administrative requirements of the SWO qualification program within their respective subordinate commands. Each of the responsible TYCOMs assigned officers have contact with ISICs and units to coordinate and monitor SWO qualification progression and associated challenges. NPC and SWOS also have program managers who collect feedback to monitor required SWO career progressions, as well as incorporate improvements into the SWO training prior to career milestones.

Ultimately, if a SWO candidate officer is not recommended for SWO qualification by a Unit CO and their ISIC, the final decision remains with the TYCOMs.

Question. What cross-decking opportunities are available? In the past two years (since March 8, 2014), in how many cases where a Junior Officer requested cross-decking, with the support of his or her new Immediate Superior in Command (ISIC), were those requests approved? How many were denied? In that time frame, how many Article 138 complaints have been decided in favor of the officer filing the complaint and in how many of those cases did the officer receive a new posting which meets SWO requirements?

Answer. Cross-decking is one of a variety of tools available to a unit CO to provide their SWO candidate officers with the necessary time at sea to attain required experience and ultimately qualify. Cross-decking involves the temporary assignment of an officer to a different ship that has an operational schedule that supports training opportunities at sea. When a ship is not operating for an extended period of time, most likely due to maintenance requirements, units coordinate with their ISIC, as well as other units, to find a ship to accommodate continued at sea training for a SWO candidate officer. Most often, those opportunities are sought between ships of the same class as it allows the officer to capitalize on the training they have received to date. Where possible, an opportunity for cross-deck training is pursued in the same homeport, although circumstances may vary and officers may cross-deck to a unit not in the same homeport.

If a ship is in an extended shipyard availability, then per CNSP/CNSLINST 1412.1, unit COs are authorized to give extensions for SWO qualification. When a ship is in maintenance for an extended period, the use of simulators is a valuable tool that COs use to continue training and progression towards qualification for SWO related watchstations. These simulators are available in every Navy homeport.

The TYCOMs do not directly manage or monitor cross-deck training of SWO candidate officers, rather those opportunities are managed by the unit CO. The TYCOMs are not notified and do not track cross-deck requests made by SWO candidate officers. In the process of reviewing a SWO non-attainment notification, cross-deck opportunities, as applicable, would be considered by the TYCOM prior to endorsement.

CNSF does not have record of any Article 138 complaints being filed, or submitted, on the basis of being denied the opportunity to cross-deck for SWO qualification training.

Question. Last year, you reported that all positively endorsed non-attainment recommendations have been approved by CNSF. What circumstances might move the CNSF to disapprove a recommendation? When was the last disapproval?

Answer. The TYCOMs rely on ISICs to fully review and assess SWO non-attainment packages given the context of each individual case, as circumstances will vary. ISICs are the first to receive a SWO non-attainment package for review. Once a SWO non-attainment notification is received by a TYCOM, they receive a detailed review to ensure that the SWO candidate officer was given the required time to allow for SWO qualification and that any information provided by the SWO candidate officer, describing extenuating circumstances, is fully assessed and considered; however some cases involve formal Inspector General (IG) complaints. Although rare, in those cases the decision for non-attainment is likely held in abeyance until any required assessments pertaining to the IG complaint are fully understood.

Circumstances that might cause CNSF to disapprove a SWO non-attainment package would be if it were discovered that an ISIC and CO were not satisfying the minimum requirements of the instruction to provide opportunities and training for a SWO candidate officer. The basis of a SWO qualification is school house training, PQS completion onboard a ship, on the job training, individual study, individual demonstration of required operational proficiencies, and formal boards. If it is discovered that a CO is not completing these minimum requirements, then the TYCOM reviewing the SWO non-attainment package would evaluate options to allow the subject officer appropriate opportunities per CNSP/CNSLINST 1412.1.

CNSF does not have record of the last disapproval of a SWO non-attainment package. However, there are two instances in the preceding three years where SWO candidate officers were identified as not able to attain SWO qualification by their unit CO, but after additional effort the subject officers achieved SWO qualification. In each instance, the SWO non-attainment notifications were made to the ISIC, were endorsed by the ISIC, and submitted to CNSP. While the notifications were being reviewed by CNSP with the ISIC, the unit reported additional progress by the SWO candidate officer and the unit CO changed their recommendation to provide more time for SWO qualification. The first case was onboard USS PRINCETON (CG 59) and reported on July 19, 2013. The second case was onboard USS PATRIOT (MCM 7) and reported on March 11, 2015. In each instance, the officer ultimately qualified as a SWO and has continued with their career milestones. These cases demonstrate the multiple opportunities and flexibility given SWO candidate officers to remediate and earn qualification.

INSPECTOR GENERAL COMPLAINTS

Question. Thank you for the numbers last year regarding IG Inspections. As a follow up:

Question A. Of the cases opened between today's date of March 8, 2016 and two years prior to that, March 8, 2014, how many of them have been completed?

Answer. Contacts¹, upon receipt by the Naval Inspector General are uploaded into the Naval Inspector General Hotline Tracking System listing key information (receipt method, date of receipt, source etc.), at which time we open a case for tracking and processing purposes. Between March 8, 2014 and March 8, 2016 the Naval Inspector General opened a total of 8146 Naval Inspector General Hotline Tracking System cases² and closed 7825 of them (96 Percent). These numbers include 213 investigations (3 Percent), 148 have been closed and 65 remain open.

Question B. How many investigators does the U.S. Pacific Fleet have? How many sailors are under its Area of Operation (AOR)? How many complaints³ per year are received?

Answer. As of March 8, 2016, U.S. Pacific Fleet and its subordinate Inspector General Offices were staffed with three investigators supporting 105,231 sailors within their Area of Operation. For Fiscal Year 2015 The U.S. Pacific Fleet Inspector General Program processed multiple contacts, resulting in the opening of 278 cases, which included 118 complaints per the Naval Inspector Hotline Tracking System.

Question C. You reported that an investigation⁴ takes 417 days—on average, which means that some are longer. What would represent an ideal time, if you had the sufficient personnel to reduce the timeframe?

Answer. Per SECNAVINST 5370.5B, DON Hotline Program, dated November 24, 2004 and Naval Inspector General, Policy Memorandum Number 2013-001, Improving Hotline Performance, dated Apr 23, 2013; the Naval Inspector General objective is to complete Hotline investigations within 90 days of receipt. Per Title 10 United States Code Section 1034, Protected Communications; Prohibition of Retaliatory Actions, Military Whistleblower Reprisal investigations are to be completed within 180 days.

Question D. Please provide a breakdown of the time needed for preliminary investigations versus full investigations.

Answer. The Naval Inspector General objective is to close Hotline contacts which do not include Whistleblower Reprisals contacts, within 30 days of receipt including preliminary inquiries⁵. If a full investigation is warranted and subsequently approved by the Naval Inspector General those investigations are to be completed within 90 days from the date of receipt of the contact. Per Title 10 United States Code Section 1034, Protected Communications; Prohibition of Retaliatory Actions, Military Whistleblower Reprisal investigations are to be completed within 180 days from date of receipt. The Naval Inspector General only processes Military Whistleblower Reprisal contacts. Whistleblower Reprisal contacts for Non-Appropriated Fund Instrumentalities and Defense Contractor/Subcontractor employees are processed by the Department of Defense Hotline. Appropriated Fund Civilian Whistleblower Reprisal contacts are processed by either the Department of Defense Inspector General or the Office of Special Counsel depending on the matter of concern. From March 8, 2014 to March 8, 2016 the average time to close a preliminary inquiry was 276 days and a full investigation was 527 days.

Question E. What are you doing to ensure IG whistleblower complaints aren't being dismissed for lack of timeliness simply because the complainants followed the chain of command process first, as you stated they're supposed to in last year's QFR?

Answer. In accordance with 10 United States Code, Section 1034 Protected Communications; Prohibition of Retaliatory Actions: Paragraph "(5) Neither an initial determination under paragraph (3) (A) nor an investigation under paragraph (3) (D) is required in the case of an allegation made more than one year after the date on which the member becomes aware of the personnel action that is the subject of the allegation." However, the Naval Inspector General does not arbitrarily dismiss a contact based on not meeting the one year timeline. Our process is to interview the

¹ Contacts: Any initial communication received through the Navy Hotline program.

² Cases: Every contact upon receipt is entered into the Naval Inspector General Hotline Tracking System and a case number is created.

³ Complaint: An expression of dissatisfaction or discontent with a process or system.

⁴ Investigation: Any form of examination into specific allegations or wrongdoing. An allegation is one form of an IG inquiry.

⁵ Preliminary Inquiry versus Investigation: The preliminary inquiry is less formal than the investigation because it does not require the creation of a written investigative plan or the preparation of an investigative report. When it becomes necessary to notify the subject or subject command that allegations have been made against them, the preliminary inquiry is over and the investigation begins.

complainant to ascertain the reason for the untimely submission, and only after do we make a case closure determination.

[CLERK’S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Carter and the answers thereto follow:]

SM-3 AND BALLISTIC MISSILE DEFENSE

Question. Admiral Richardson, the FY17 request includes a significant reduction in quantities of SM-3 TB and IIA missile defense interceptors across the Five Year Defense program. As you know, this subcommittee has worked to hold production steady at the economically efficient rate of 52 missiles per year for the last three years.

Has demand from COCOMs for BMD capable ships increased or decreased in the last twelve months? Are load outs of SM-3s on deploying ships sufficiently robust to meet COCOM requirements?

Answer. Demand from COCOMs was consistent between FY16 and FY17. Navy sourced a 2% increase in BMD ship presence from FY17 over FY16. In the same time period, COCOM demand for SM-3s increased 14% and SM-3 sourcing increased by 8%.

Question. I note that the plan for BMD capable ships rises from 33 to 43 across the FYDP, a notable 25% increase for this important mission. I know that the Navy does not manage procurement of SM-3s, but absent sufficient inventories, BMD capable ships are certainly unable to perform their full mission.

As capabilities of potential adversaries grow, would the Navy benefit from an inventory of missiles that keeps pace with ships?

Answer. Yes. As the number of advanced Integrated Air and Missile (IAMD) ships increases through the FYDP, ensuring the Navy has sufficient missile inventory to load and potentially reload our most advanced ships is necessary to quickly and decisively destroy the threat.

Standard Missile (SM-3) missiles are fielded aboard Navy ships and, recently, at the Romania Aegis Ashore facility. Navy cooperates closely with the Missile Defense Agency (MDA), which acts as the government procurement agent for all SM-3 variants. MDA has developed an in-depth, budget constrained, SM-3 missile buy-delivery plan, which is shown below.

PB17 END OF FISCAL YEAR SM-3 INVENTORY PLAN

	FY16	FY17	FY18	FY19	FY20	FY21
SM-3 Blk 1/IA	101	85	60	49	37	35
SM-3 Blk 1B/TU	92	128	166	202	236	271
SM-3 IIA	0	0	2	11	12	14
Total	193	213	228	262	285	320

In regard to a Navy Inventory Objective, the Navy utilizes a Naval Munitions Requirement Process (NMRP) to establish the desired inventory for all Naval ordnance items. For SM-3 missiles, the NMRP model yields a Total Munitions Requirement (TMR) which includes ammunition ship fill, projected threat-based combat expenditures, war reserve ammunition for combat reload, as well as missiles in the maintenance pipeline.

Question. Do you think there is some assumed risk in reducing the planned buy of SM-3 missiles by 50% in FY17?

Answer. Yes, a smaller quantity of ordnance assumes a measure of warfighting risk. BMD capable ships and missiles continue to see demand from COCOMs that exceeds supply.

The higher cost SM-3 Block 1B/IBTU and SM-3 Block IIA incorporate new capabilities against an evolving threat that is beyond the capability of SM-3 Block I/IA. Current Navy Global Force Management (GFM) demand has been met with the MDA procurement plan.

[CLERK’S NOTE.—End of questions submitted by Mr. Carter.]

WEDNESDAY, MARCH 2, 2016.

FISCAL YEAR 2017 AIR FORCE BUDGET OVERVIEW

WITNESSES

HON. DEBORAH LEE JAMES, SECRETARY, UNITED STATES AIR FORCE
GENERAL MARK A. WELSH III, CHIEF OF STAFF, UNITED STATES AIR
FORCE

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. Good morning, everybody. The committee will come to order.

This morning, the subcommittee continues a series of hearings on our defense posture, and today we focus on the Air Force.

Our two witnesses are not strangers to us. Secretary Deborah Lee James has been Secretary of the Air Force since 2013, and we always appreciate her candid and informed counsel.

Welcome, Secretary James. Thanks for being back with us.

Chief of Staff of the Air Force Mark Welsh is appearing before our committee for the last time. In coming weeks, he will be retiring from the Air Force after 40 years of dedicated service to our Nation.

General, you are a skilled and valuable advocate for the Air Force. We owe you and your family a debt of gratitude, and Godspeed to you.

And part of your family, your better part, is here——

General WELSH. Much better part.

Mr. FRELINGHUYSEN [continuing]. Betty Welsh.

And may I say thank you, Betty, for an Air Force life. Your dedication to the airmen, both here and abroad, the extraordinary things you have done. And may I add, for the committee's information, you have four children, one of whom is a Marine, so the service continues.

And we are awfully proud of you both. Thank you.

General Welsh, you caught our attention with your remarks before the recent Air Warfare Symposium. You addressed the possibility of the Air Force being called upon to fight a major theater war in Eastern Europe or Asia against a well-trained and well-equipped army. I assume you were referring to perhaps the Russians or Chinese. You said, and I quote, "We're not really ready for that. It's going to be ugly," end of quotation.

An assessment like that from someone of your experience should be of concern to our committee and to the Nation, but the facts are the facts. We have the oldest Air Force aircraft in history and the smallest Air Force in years.

At the same time, the Chinese Air Force, the third largest air force in the world, is rapidly closing the gap with ours across a broad spectrum of capabilities: quality of their aircraft, command

and control, radar, electronic warfare, and data links. China also possesses one of the largest forces of advanced, long-range surface-to-air missiles in the world and some pretty sophisticated space architecture.

Russia is procuring some new Flanker fighters and developing a fifth-generation PAK FA fighter. The Kremlin also plans to build 56 long-range, advanced S-400 surface-to-air missile battalions. They put down their markers for a lot of firepower, both in Syria and Iran, and deployed air forces to protect it.

Elsewhere, Iran and other nations are working to buy additional advanced air defense missile systems from Russia.

And while you and our committee are focusing on these rising threats our Air Force and those of coalition nations are actively engaged with ISIS and Al Qaeda in the Middle East and the Taliban and ISIS in Afghanistan.

While paying tribute to the bravery and skill of our aviators, some suggest that airpower alone will not destroy these forces or even bring them to their knees, that boots on the ground will only assure that.

Of course, we need to keep all of these challenges in mind as we go through this year's budget process. And the committee is anxious to hear your perspective on how the Air Force will maintain its aging fleet of bombers and fighters amidst growing demand for their services and the readiness of those who operate them, and, may I add, their youth relative to the age of the aircraft.

And I am sure members will have questions about JSTARS, the Russian rocket engines, the A-10 and the nuclear enterprise, and your continuing needs for ISR—intelligence, surveillance, and reconnaissance. But a major issue hovering over the Air Force and the entire Defense Department these days is the looming bow wave of major acquisition programs. And I am sure you will address a lot of those issues in your testimony.

We also saw the headline recently which read, "The Coming Dogfight Between the F-35 and the New Bomber." These are the two most sophisticated and expensive planes ever, and we need to hear how the Air Force proposes to fund both.

In closing, Secretary James, General Welsh, the committee hopes you will convey to your airmen, officers, and enlisted, wherever they are, at home and abroad, our deep gratitude for their remarkable service each and every day.

I am pleased to yield to Mr. Visclosky for any remarks he may wish to make.

OPENING REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Thank you very much, Mr. Chairman. Thank you for holding the hearing.

General, Secretary, thank you very much for being here. Look forward to your testimony.

Mrs. Welsh, I join the chairman in welcoming you. If there are any difficult questions here in the committee, obviously we will direct them to you. Welcome.

Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Secretary James, welcome. Thank you.

SUMMARY STATEMENT OF SECRETARY JAMES

Ms. JAMES. Thank you so much, Mr. Chairman and Ranking Member Visclosky, and to all of the members of the committee.

It really is a pleasure for General Welsh and I to be able to come back and represent before all of you today the nearly 660,000 Active Duty, National Guard, Reserve, and civilian Airmen and their families, and we very much welcome the opportunity to do so.

When we testified before all of you last year, we talked about our three priorities, and those three priorities are: taking care of people; striking the right balance between our readiness needs of today and the modernization that we need for tomorrow; and making every dollar count, being the most efficient Air Force with the taxpayer dollar that we can possibly be.

Well, I am here to tell you that those three priorities have not changed, but what has changed over the last year or two or three are some of the world's conditions. And you touched upon much of this, Mr. Chairman, and if you will permit me just to foot-stomp a few points.

As we sit here today, your Air Force is working hard to degrade and ultimately destroy Daesh in the Middle East. And, of course, we are not doing it alone. We are doing it as part of a whole-of-government, a whole-of-military, and a coalition approach.

Last year alone, coalition forces upped the ante against Daesh, flying more than 55,000 sorties in support of Operation Inherent Resolve, which represents a threefold increase over the year 2014. And make no mistake, our United States Air Force shouldered the lion's share of that effort.

Moreover, there is a resurgent Russia. It continues to foment problems in the Ukraine. They have become involved in Syria. And of course, they have recently announced plans to modernize their nuclear weapons.

In addition, we very recently observed North Korea conduct an illegal nuclear test and a rocket launch within just the last few weeks. We continue to see worrisome activity in the South China Sea by Chinese military forces. And, of course, we have very serious growing threats in space and cyberspace.

And the bottom line to all of this is that the Air Force is key in each of these areas, each of these roles, and we are fully engaged in every region, in every mission area across the full spectrum of military operations. The way I would put it is we have never been busier as an Air Force, certainly not in the 35 years that I have been an observer on the scene here in Washington.

So, to confront these challenges, to continue confronting these challenges, and in order to maintain a fighting effective force, we bring before you a budget which tries to do our best to balance capacity, capability, and readiness.

It also invests in future modernization, though this is where we made some of the tough choices this year, given that the budget agreement for fiscal year 2017, for all of its good, did not provide the full amount that we need for our Air Force. And, as a result, we couldn't bring before you as robust of a modernization portfolio as we would have liked.

So let me now detail a few of the highlights of our budget choices as I go through these three top priorities, beginning with taking care of people.

Our Airmen and their families are our most important resource, and our budget reflects this truth. With that said, you already mentioned we are the smallest that we have ever been. We have been downsizing for years, and we know that enough is enough and we cannot go any lower. The downsizing must stop.

And, indeed, it has. We are now in a period of modest upsizing, and we are doing that in a total force way. And the top priorities include the areas of intelligence, Intelligence, surveillance & reconnaissance (ISR), cyber, maintenance, and our battlefield airmen. And we want to thank this committee for supporting the most recent Active Duty plus-up from roughly 311,000 to 317,000 by the end of this fiscal year. You also supported our recent plus-ups to the National Guard and Reserve, and we thank you for that. And to underscore, we simply cannot go any lower.

And, in reality, in our opinion, we believe that mission demands in fiscal year 2017 are going to require us to likely grow more in fiscal year 2017. And so, to meet these demands, I plan to take a judicious approach to incrementally increase our total force beyond the current levels, provided, of course, that we can attract the right talent. And so we would be grateful, when the time comes, for this committee's assistance should a reprogramming action be required to help fund those additional people should we get that talent.

Now, speaking of total force, we are continuing to maximize our use of the Guard and Reserve by shifting additional missions and workload when it makes sense to do so, such as in the fields of Cyber and ISR, Command and Control, Mobility, and Space. And we are continuing to push the envelope big-time when it comes to integration of our Guard and Reserve. And that goes from the staff level at the highest headquarters to the wing level. All levels of integration we are interested in.

Moving on to other personnel concerns, we would ask for your support to provide requested funding for a 1.6-percent pay raise for both our military and civilians as well as targeted pay and retention bonuses for a variety of career fields, including our very important remotely piloted aircraft (RPA) force.

By the way, the RPA and manned pilot incentives are now equalized, and that is great news, but we shouldn't stop there. Specifically, we are submitting a legislative proposal this year which is intended to go farther to retain our aviators against what we see as an improving economy and increasing demand for commercial pilots.

And, finally, still on the subject of people, we are expanding our budget for the Sexual Assault Prevention and Response program this year. We are fully funding our childcare operations, boosting educational benefits. And we are making every effort to fund the most important infrastructure projects that are of benefit to our airmen.

Now, moving on to the readiness and modernization equation, because we really need both. As you just said and as we have tried to explain repeatedly, less than half of our combat Air Forces today are sufficiently ready for a high-end fight. Now, when I say a high-

end fight, I mean a conflict that might take place in an anti-access area-denial environment—an environment, plainly put, where the adversary can shoot us down or can interfere with us in some substantial way in space or air or cyber.

Moreover, in addition to that, today's aircraft inventory is the oldest it has ever been, and our adversaries are closing the technological gap on us quickly, which tells me we have to modernize. We need to both be ready and we need to modernize.

Now, in terms of readiness, we will be funding flying hours to their maximum executable level, we will invest in weapons system sustainment and ensure combat exercises like the Red Flag and the Green Flag remain strong.

Now, after consulting with the combatant commanders, General Welsh and I agree that we are going to make some needed adjustments to address some of the world changes that I mentioned earlier. For example, we are now proposing to rephase the retirement of the A-10 and the Compass Call aircraft. And the bottom line here is we are not proposing to retire any of these aircraft in fiscal year 2017.

We do believe that we will need to divest these weapons systems in the future, but this change of this year will maintain sufficient number of fighter and electronic attack aircraft across the force in support of current operations. And then the rephase that I mentioned will allow us to better align retirements of the older aircraft as we phase in the newer F-35.

Furthermore, we are going to continue to examine this plan on a year-by-year basis and modify, if necessary, according to the global security situation.

Now, in conjunction with ensuring the right number and mix of the manned aircraft, we also need the right number of remotely piloted aircraft and the very important munitions. It is no secret that ISR is the number-one combatant commander desire for additional Air Force capability. And to that end, thank you, thank you, thank you, especially to this committee, for the \$500 million in the department-wide funding that we received last year to fund increased ISR capability.

Believe me, we are working big-time with Office Secretary of Defense (OSD) to get as much of that for the Air Force and the ISR capabilities that we provide as we possibly can for things like: the government-owned, contractor-operated MQ-9 lines and the RQ-170 and ISR communications architecture, improved targeting analysis, and we would like some additional money for man-days for our National Guardsmen who we are bringing on to help us in the ISR world. So these are all the areas that we are hoping to receive funding for, and we thank you for that funding.

Additionally, we have 24 MQ-9 Reapers in the budget and more money for Joint Direct Attack Munitions (JDAMs) and small-diameter bombs, which are the key munitions being used in the war effort.

Turning to modernization, we have ongoing investments in our top priorities of nuclear deterrence, space, cyberspace. We are continuing to advance on the F-35, the KC-46, the combat rescue helicopter, and the T-X program. That is our next-generation trainer.

And we are going to start the Joint Surveillance Target Attack Radar System (JSTARS) recap, as well.

We will also continue to move forward with the B-21, the aircraft formally known as the Long Range Strike Bomber. And Government Accountability Office's (GAO)'s recent decision, I think, highlighted that we did follow a deliberate, disciplined, and impartial process to determine the best value for the warfighter and the taxpayer.

But, most important of all, what I want everybody to understand about the B-21 is that we really, really need this capability for our country. It will be the future lynchpin of our bomber force. It will be enormously helpful in that anti-access, area-denial type of an environment that we view in the future, and it will be important for both conventional and nuclear purposes.

Now, all that is modernization, but this is where we had to make some tough choices. So we had to defer some F-35s. We had to defer the purchase of some C-130Js. We have to delay upgrades to improve some of our fourth-generation capabilities. And, of course, many, many, many needed infrastructure projects for our basing structure are simply going to have to wait. And we would renew our call once again for your help in authorizing a Base Realignment and Closure (BRAC) in fiscal year 2019.

A few points on space launch. Point one, I want to affirm to all of you that we are moving as quickly as we can to eliminate use of the RD-180 engine. The target, as you know, is 2019. This is ambitious, but we are doing it and we are working it hard.

Point two, we are moving toward a domestic solution for rocket propulsion systems using full and open competition, which is exactly what the law asked us to do and just as we did with the B-21. And we have now obligated all 220 million of the dollars that Congress appropriated in 2015 for this purpose.

And point number three and finally, we do need reasonable flexibility to access RD-180s over the next few years until such time as the new engine is developed—that is important—but also integrated into a system and certified. So we need to develop it, we need to integrate it, and we need to certify it. And having just a little bit more flexibility with a few more RD-180s, we think, is important to maintain the competition that we have all wanted for years. A total of 18 is our request.

The last priority is make every dollar count. This is the efficiencies. And we have a number of things going on here, including streamline energy usage, we are implementing ideas from our airmen, and we are continuing the march toward auditability.

As I wrap, Mr. Chairman, I want to thank you very much for your leadership and the others on the committee for the Bipartisan Budget Act—much, much needed stability, predictability, and we are grateful for that.

While we are appreciative, however, we do worry about the return of sequestration in fiscal year 2018. We ask you, please, do your very best to get that lifted permanently. Because if we were to return to sequestration, remember, we parked jets, we furloughed people, we took all sorts of actions that delayed our return to full-spectrum readiness.

So, again, thank you so much for your support of our Air Force, and we look forward to your questions.

Mr. FRELINGHUYSEN. Well, thank you, Madam Secretary.
General Welsh, front and center.

SUMMARY STATEMENT OF GENERAL WELSH

General WELSH. Thank you, Mr. Chairman, Ranking Member Visclosky. And a special thank you for recognizing my wife. Betty is magic. And the fact that you took the time to acknowledge her presence here today, I just can't thank you enough, Mr. Chairman. Thank you.

Members of the committee, it is always an honor to be here with you, and it is privilege to be here with Secretary James representing our remarkable Airmen.

I would like to briefly address just two issues that are pressing on the Air Force today: first, the health of the remotely piloted aircraft enterprise, which we get a lot of questions about, including some from members of this committee; and, second, pilot retention.

First, the RPA enterprise. We are laser-focused on improving the quality of life and establishing a manageable, long-term, livable battle rhythm for our remotely piloted aircraft community.

The explosion in people, platforms, and resources that constitute this community, the medium altitude ISR community, since 2001 has been stunning, and so has the volume and the quality of the work they have done in the battlefield. Because the mission area grew so rapidly, we have never gotten ahead of the training curve. And each year, recently, more pilots were leaving the remotely piloted aircraft force than we were able to train to go into it. Not good math for us.

The Secretary of Defense helped us this last year by freezing the global requirement for RPA caps for the Air Force at 60, which is 5 below the 65 we were operating with 55 cap's worth of people, which meant our people were in a surge mode nonstop. This allows us to fully man our training units for the first time ever and to build our RPA pilot training pipeline to where it needs to be. By the end of fiscal year 2017, we will be training 384 pilots a year in the RPAs. That is 200 more than we have ever produced in a year in the past.

This is the first and the most significant step in the overall RPA get-well plan, intended to improve quality of life for our RPA airmen and their families. That plan also includes incentive pay increases and bonuses for crews, standardized organizational constructs, and crew ratios designed to allow sanity back into their schedule, and greater Air National Guard and Air Force Reserve operational mission activity to relieve some of the pressure on the Active Duty force.

Air Combat Command also initiated an internal grassroots review that made over 140 recommendations that we are now working to close.

As part of that effort, we intend to bed-down an RPA operations group with the ability to execute missions around the world at a new Contiguous United States (CONUS) location on an existing installation approximately a year from now and then a full RPA wing at another location approximately 2 years from now. Both will pro-

vide additional assignment options for a force that has been very limited in their choice of locations up till now. Essentially, most of our RPA pilots went from Creech Air Force Base to Holloman Air Force Base to somewhere overseas. That was their entire career track up till this point.

In the future, we are also planning to place RPA units overseas in both Europe and the Pacific. For years now, our RPA teams have been planning and executing lifesaving and life-taking missions, but until now there has been absolutely no normal in their lifestyle. They deserve the same care, feeding, and professional development stemming from careers guided by a normalized roadmap, and that is where we are headed. Air Combat Command's hard work on this get-well plan is intended to light the way for us.

No Airman joins the service to get wealthy, but the unmanned aviation bonuses and incentive payments that you have appropriated do help us with recruitment and retention. And I just wanted to thank you for your support in that effort. But on their own, they aren't enough. If we do not fix quality of life for our RPA operators and their families, they won't stay in the Air Force. So we are committed to fixing this.

The second issue is pilot retention, because the long-awaited pilot retention problem is here. In calendar year 2015, major airlines hired about 3,500 pilots, and they expect to keep hiring at a commensurate rate for the next nine to ten years. Military pilots are in the perfect position to fill those jobs. They are highly trained, they are experienced, and, thus, they are very attractive to the airlines.

Each year, we hope to retain about 65 percent of the pilots who are eligible to separate from the Air Force. One of the major tools we use in that retention effort is our aviation retention pay that you appropriate for us. The take rate in 2015 was just 55 percent, so 10 percent below the average.

Proficient Air Force pilots can potentially transition from being a company-grade officer in the Air Force to being a commercial captain in a few short years with an airline salary that is roughly two times higher than military pay with someone of equivalent experience.

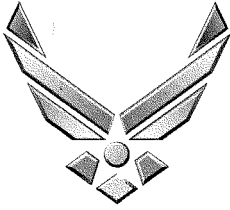
And while we cannot reasonably expect to stop the outflow, we are doing everything in our power to mitigate it and to convince those pilots who are on the fence to stay with us and those who are leaving to go into the Guard and Reserve.

We are increasing pilot production to maximum schoolhouse capacity. We are revisiting the operational demand signal for pilots in nonflying jobs. We are partnering with RAND Corporation to fully assess the net effects of this hiring surge by the airlines. And we intend to seek legislation to increase all aviation retention pay for manned and unmanned platform pilots to \$35,000 per year. And we will ensure that you have all the details you need to assess that proposal.

Ladies and gentlemen, my personal thanks to each of you for routinely dedicating your time and attention to our Air Force and to those proud Americans who give it life. The Secretary and I look forward to your questions.

[The joint statement of Secretary James and General Welsh follows:]

United States Air Force



Presentation

Before the House Appropriations
Subcommittee on Defense

Air Force Posture

Witness Statement of
Honorable Deborah Lee James, Secretary
of the Air Force
General Mark A. Welsh III, Chief of Staff
of the Air Force

March 2, 2016

March 2, 2016



BIOGRAPHY



UNITED STATES AIR FORCE

DEBORAH LEE JAMES

Deborah Lee James is the Secretary of the Air Force, Washington, D.C. She is the 23rd Secretary of the Air Force and is responsible for the affairs of the Department of the Air Force, including the organizing, training, equipping and providing for the welfare of its nearly 664,000 active duty, Guard, Reserve and civilian Airmen and their families. She also oversees the Air Force's annual budget of more than \$139 billion.

Ms. James has 30 years of senior homeland and national security experience in the federal government and the private sector. Prior to her current position, Ms. James served as President of Science Applications International Corporation's Technical and Engineering Sector, where she was responsible for 8,700 employees and more than \$4 billion in revenue.



For nearly a decade, Ms. James held a variety of positions with SAIC to include Senior Vice President and Director of Homeland Security. From 2000 to 2001, she was Executive Vice President and Chief Operating Officer at Business Executives for National Security, and from 1998 to 2000 she was Vice President of International Operations and Marketing at United Technologies.

During the Clinton Administration, from 1993 to 1998, Ms. James served in the Pentagon as the Assistant Secretary of Defense for Reserve Affairs. In that position, she was the Secretary of Defense's senior advisor on all matters pertaining to the 1.8 million National Guard and Reserve personnel worldwide. In addition to working extensively with Congress, state governors, the business community, military associations, and international officials on National Guard and Reserve component issues, she oversaw a \$10 billion budget and supervised a 100-plus-person staff. Prior to her Senate confirmation in 1993, she served as an assistant to the Assistant Secretary of Defense for Legislative Affairs.

From 1983 to 1993, she worked as a professional staff member on the House Armed Services Committee, where she served as a senior advisor to the Military Personnel and Compensation Subcommittee, the NATO Burden Sharing Panel, and the Chairman's Member Services team.

Ms. James earned a Bachelor of Arts degree in comparative area studies from Duke University and a master's degree in international affairs from Columbia University School of International and Public Affairs.

EDUCATION

1979 Bachelor of Arts degree in comparative area studies, Duke University, Durham, N.C.

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

1981 Master's degree in international affairs, Columbia University, N.Y.

CAREER CHRONOLOGY

1. 1983 - 1993, Professional Staff Member, Armed Services Committee, U.S. House of Representatives, Washington, D.C.
2. 1993 - 1998, Assistant Secretary of Defense for Reserve Affairs, Office of the Secretary of Defense, Washington, D.C.
3. 1999 - 2000, Vice President of International Operations and Marketing, United Technologies, Washington, D.C.
4. 2000 - 2001, Executive Vice President and Chief Operating Officer, Business Executives for National Security, Washington, D.C.
5. 2002 - 2013, Senior Vice President and Director for Homeland Security; Senior Vice President, C4IT Business Unit General Manager; Executive Vice President, Communications and Government Affairs; President, Technical and Engineering Sector, Science Applications International Corporation, McLean, Va.
6. 2013 - present, Secretary of the Air Force, Washington, D.C.

(Current as of June 2015)

March 2, 2016



BIOGRAPHY



UNITED STATES AIR FORCE

GENERAL MARK A. WELSH III

Gen. Mark A. Welsh III is Chief of Staff of the U.S. Air Force, Washington, D.C. As Chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipping of 664,000 active-duty, Guard, Reserve and civilian forces serving in the United States and overseas. As a member of the Joint Chiefs of Staff, the general and other service chiefs function as military advisers to the Secretary of Defense, National Security Council and the President.

General Welsh was born in San Antonio, Texas. He entered the Air Force in June 1976 as a graduate of the U.S. Air Force Academy. He has been assigned to numerous operational, command and staff positions. Prior to his current position, he was Commander, U.S. Air Forces in Europe.



EDUCATION

- 1976 Bachelor of Science degree, U.S. Air Force Academy, Colorado Springs, Colo.
- 1984 Squadron Officer School, by correspondence
- 1986 Air Command and Staff College, by correspondence
- 1987 Master of Science degree in computer resource management, Webster University
- 1988 Army Command and General Staff College, Fort Leavenworth, Kan.
- 1990 Air War College, by correspondence
- 1993 National War College, Fort Lesley J. McNair, Washington, D.C.
- 1995 Fellow, Seminar XXI, Massachusetts Institute of Technology, Cambridge
- 1998 Fellow, National Security Studies Program, Syracuse University and Johns Hopkins University, Syracuse, N.Y.
- 1999 Fellow, Ukrainian Security Studies, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.
- 2002 The General Manager Program, Harvard Business School, Harvard University, Cambridge, Mass.
- 2009 Fellow, Pinnacle Course, National Defense University, Fort Lesley J. McNair, Washington, D.C.
- 2009 Leadership at the Peak, Center for Creative Leadership, Colorado Springs, Colo.

ASSIGNMENTS

1. August 1976 - July 1977, Student, undergraduate pilot training, Williams Air Force Base, Ariz.
2. July 1977- January 1981, T-37 Instructor Pilot and Class Commander, Williams AFB, Ariz.
3. January 1981 - May 1981, Student, fighter lead-in training, Holloman AFB, N.M.
4. May 1981 - August 1981, Student, A-10 training, Davis-Monthan AFB, Ariz.
5. August 1981 - May 1984, Instructor pilot, Flight Commander and Wing Standardization and Evaluation Flight

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

- Examiner, 78th Tactical Fighter Squadron and 81st Tactical Fighter Wing, Royal Air Force Woodbridge, England
6. May 1984 - June 1987, Commander, Cadet Squadron 5, later, Executive Officer to the Commandant of Cadets, U.S. Air Force Academy, Colorado Springs, Colo.
 7. June 1987 - June 1988, Student, Army Command and General Staff College, Fort Leavenworth, Kan.
 8. June 1988 - October 1988, Student, F-16 conversion training, Luke AFB, Ariz.
 9. October 1988 - July 1992, Operations Officer, 34th Tactical Fighter Squadron, later, Commander, 4th Tactical Fighter Squadron, Hill AFB, Utah
 10. July 1992 - June 1993, Student, National War College, Fort Lesley J. McNair, Washington, D.C.
 11. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C.
 12. June 1995 - April 1997, Commander, 347th Operations Group, Moody AFB, Ga.
 13. April 1997 - June 1998, Commander, 8th Fighter Wing, Kunsan Air Base, South Korea
 14. June 1998 - June 1999, Commander, College of Aerospace Doctrine, Research and Education, Maxwell AFB, Ala.
 15. June 1999 - September 2001, Commandant of Cadets and Commander, 34th Training Wing, U.S. Air Force Academy, Colorado Springs, Colo.
 16. September 2001 - April 2003, Director of Plans and Programs, Headquarters U.S. Air Forces in Europe, Ramstein Air Base, Germany
 17. April 2003 - June 2005, Director of Global Power Programs, Office of the Assistant Secretary of the Air Force for Acquisition, Headquarters U.S. Air Force, Washington, D.C.
 18. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C.
 19. July 2007 - August 2008, Vice Commander, Air Education and Training Command, Randolph AFB, Texas
 20. August 2008 - December 2010, Associate Director of the Central Intelligence Agency for Military Support/Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C.
 21. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base, Germany; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany
 22. August 2012 - present, Chief of Staff, Headquarters U.S. Air Force, Washington, D.C.

SUMMARY OF JOINT ASSIGNMENTS

1. June 1993 - June 1995, Chief, Defense and Space Operations Division, Operations Directorate (J3), Joint Staff, the Pentagon, Washington, D.C., as a lieutenant colonel and a colonel
2. June 2005 - June 2007, Deputy Commander, Joint Functional Component Command for Intelligence, Surveillance and Reconnaissance, U.S. Strategic Command, Bolling AFB, Washington, D.C., as a major general
3. August 2008 - December 2010, Associate Director for Military Affairs, Central Intelligence Agency, Washington, D.C., as a major general and a lieutenant general
4. December 2010 - July 2012, Commander, U.S. Air Forces in Europe; Commander, Air Component Command, Ramstein Air Base; and Director, Joint Air Power Competency Center, Ramstein Air Base, Germany, as a general

FLIGHT INFORMATION

Rating: command pilot

Flight hours: more than 3,300

Aircraft flown: F-16, A-10, T-37 and TG-7A

MAJOR AWARDS AND DECORATIONS

Defense Distinguished Service Medal with oak leaf cluster

Distinguished Service Medal with oak leaf cluster

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

Defense Superior Service Medal with oak leaf cluster
Legion of Merit with oak leaf cluster
Distinguished Flying Cross with oak leaf cluster
Meritorious Service Medal with two oak leaf clusters
Air Medal with oak leaf cluster
Aerial Achievement Medal
Joint Service Commendation Medal
Air Force Commendation Medal

EFFECTIVE DATES OF PROMOTION

Second Lieutenant June 2, 1976
First Lieutenant June 2, 1978
Captain June 2, 1980
Major May 1, 1985
Lieutenant Colonel June 1, 1989
Colonel Feb. 1, 1994
Brigadier General Aug. 1, 2000
Major General Aug. 1, 2003
Lieutenant General Dec. 9, 2008
General Dec. 13, 2010

(Current as of June 2015)

March 2, 2016**I. INTRODUCTION: THE WORLD'S GREATEST AIR FORCE**

The United States Air Force remains the greatest air force on the planet. We are powered by Airmen with more talent and education than ever before. Our inventory, although aging, continues to be more capable across the enterprise than any Nation in the world. Together with our Joint and Coalition partners, Airmen provide around-the-clock *Global Vigilance*, *Global Reach*, and *Global Power* in defense of our Nation and our Allies. They are also vital to the most integrated Joint, Coalition and partner relationships in our history—even better than during the incredible combined success of Operation DESERT STORM 25 years ago.

However, we are experiencing a colossal shift in the geopolitical landscape. For the first time in a generation, adversaries are boldly challenging America's freedom of maneuver in air, space, and cyberspace in contested regions and near our Allies' borders. The era in which the United States could project military power without challenge has ended. Indeed, China has been increasing its military capability and is now expanding its grip on the Pacific. This compounds the risk of miscalculation or conflict in the region. Russia has attempted to annex Crimea and continues its aggression in Ukraine further pressuring the NATO alliance. At the same time, Russian and American Air Forces are both conducting offensive military operations in Syrian airspace. An unpredictable North Korea continues to conduct nuclear and ballistic missiles tests in the face of international condemnation. Syria and Iran have purchased one of the world's most capable air defense systems from their Russian ally while continuing to oppose our interests in the region. These challenges further complicate a relentless fight against Violent Extremist Organizations seeking to exploit weak governance and disrupt world order. The past two years are a reminder that stability is not the natural state of the international environment, that peace is not self-perpetuating, and that entire regions can suddenly descend into anarchy.

While the world's expectations of American airpower were shaped by Operation DESERT STORM, our near-peer adversaries responded to that victory by modernizing their forces with systems specifically designed to neutralize our strengths. Satellite-enabled precision, stealth, cruise missiles, and other military technology that debuted in DESERT STORM are now proliferating around the globe. Quite simply, our adversaries have gained unprecedented ground in just 25 years. In contrast, prior to 1992, the Air Force procured an average of 200 fighter aircraft per year. In the two and a half decades since, curtailed modernization has resulted in the procurement of less than an average of 25 fighters yearly. In short, the technology and capability gaps between America and our adversaries are closing dangerously fast. As our challengers employ increasingly sophisticated, capable, and lethal systems, your Air Force must modernize to deter, deny, and decisively defeat any actor that threatens the homeland and our

March 2, 2016

national interests. This modern force hinges upon the globe's finest Airmen. We will develop these Airmen through world-class education and training so they are prepared for 21st century combat.

The Fiscal Year 2017 President's Budget aims to build, train, and equip an Air Force capable of responding to today's and tomorrow's threats. It balances capacity, capability, and readiness in support of a resource-informed Service strategy that Takes Care of People, Strikes the Right Balance Between Readiness and Modernization, and Makes Every Dollar Count. *Congressional support for our budget, built in accordance with Air Force and National Strategy, will keep us on a path of disciplined modernization and begin to arrest the erosion of our competitive advantage while continuing to defend America's interests wherever they are challenged.*

II. GLOBAL VIGILANCE, REACH, AND POWER FOR AMERICA... DAILY

Our Joint Force's strength and depth is a coercive instrument deliberately designed to deter, and if necessary, compel, our adversaries. We provide a broad range of military options for America. However, phenomenal Airmen, combined with airpower's speed, agility, and flexibility, often make your Air Force a preferred employment option, for missions ranging from humanitarian relief to armed intervention.

Today, in our 25th consecutive year of combat operations, your Air Force provides the preponderance of combat force against Violent Extremist Organizations (VEOs) in the Middle East, North Africa, and Central Asia. We monitor these organizations with an unblinking eye and a 34,000-person intelligence, surveillance, and reconnaissance (ISR) enterprise dedicated to analyzing and disseminating intelligence to empower decision-makers, identify targets, enable air strikes, and protect Joint and Coalition forces. We have flown more than 30,000 sorties in Iraq and Syria since August 2014, including two-thirds of the 9,000 Coalition airstrikes and more than 90 percent of the 19,000 Coalition tanker sorties. In short, your Air Force is leading the campaign to degrade and destroy VEOs who seek to upend world order.

Additionally, when Russian forces challenged the security and territorial integrity of European nations on its periphery, American Airmen joined our fellow Soldiers, Sailors, and Marines to present a united stand against Russian aggression with our NATO allies. Deployed combat and mobility air forces, ISR and space platforms, and cyberspace assets spearheaded a persistent and dominant air, land, and sea presence in the region. While strengthening this vital alliance, we are also building non-NATO partner capability in support of the European Reassurance Initiative.

At the same time, we are projecting power in the Pacific because China's defense spending continues to grow at double-digit rates as they fund and field an impressive array of modern weapons supporting a more assertive regional strategy. Thus, as China attempts to expand its claims in the South China Sea and coerce our Pacific partners, your Airmen are projecting power through a continuous bomber presence and

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

by conducting reconnaissance operations in the region. We are preventing strategic surprise, bolstering freedom of maneuver and freedom of navigation for the Joint Force, and protecting the global commons.

Airmen around the globe protect American interests...daily. At U.S. Central Command's Combined Air Operations Center, Airmen lead Joint operations throughout the Middle East, Central Asia, and the Horn of Africa. We have nearly 20,000 Active Duty Airmen stationed in Japan and on the Korean Peninsula, where we fly regularly with our Pacific partners. More than 23,000 Total Force Airmen around the globe conduct operations in and through space and cyberspace supporting the Joint Force. Your Air Force supported 25 space missions, provided GPS, weather, communications, and Space Situational Awareness capabilities while tracking over 23,000 objects orbiting the Earth. We flew nearly 1.7 million hours in 2015, equal to 194 continuous years of flying. We moved nearly a million passengers, the equivalent of every man, woman, and child in Montana. Air Force aerial refuelers passed more than 1.2 billion pounds of fuel and our mobility aircraft airlifted 345,000 tons of cargo and evacuated more than 4,300 Joint patients—all in support of the Joint Force and our international partners.

There is no mission more critical than maintaining our Nation's nuclear capability. Your Airmen operate two of the three legs of our Nation's nuclear triad and continue to improve the nuclear enterprise, providing the deterrence that keeps America's most lethal threats at bay. The responsiveness of the intercontinental ballistic missile (ICBM) and the flexibility of the bomber underwrite U.S. national security. More than 35,000 Airmen protect our national interests and those of our Allies by ensuring a safe, secure, and reliable nuclear deterrent. Your nuclear forces ensure strategic stability with other nuclear powers and provide a wide range of options to deter strategic attacks and respond to emerging threats.

Lastly, programs like *Airmen Powered by Innovation* and *Every Dollar Counts* encourage Airmen to take ownership of day-to-day processes and improve our business practices. These campaigns have yielded billions of dollars in savings and cost avoidance over the last two years. These funds are then reinvested in readiness and modernization.

Today's Airmen—*your* Airmen—are dedicated to innovation, accomplishing their mission, and building a better Air Force for tomorrow... all while supporting and defending our Constitution and protecting our Nation.

III. A CRUCIAL MOMENT: THE DYNAMIC, COMPLEX FUTURE IS UPON US NOW

While our Airmen remain heavily engaged around the world, the average age of our aircraft is at an all-time high, and the size of our force and state of our full-spectrum readiness are at or near all-time lows. Non-stop combat since Operation DESERT STORM has placed a substantial burden on our Airmen and

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

their families while straining the readiness of our personnel and the systems they operate. Without question, the U.S. Air Force America remembers from 1991 is now shockingly smaller and older: 25 years ago, we had 134 combat-coded fighter squadrons while today we have 55; we had 946,000 Total Force military and civilian Airmen while today we have fewer than 660,000. If World War II's B-17 bomber had flown in DESERT STORM, it would have been younger than the B-52, KC-135 and the U-2 are today.

Despite America's inherent strategic advantages, challengers are quickly closing the capability and technology gaps between us. Tools that were unaffordable to most nations during the DESERT STORM era, such as computing power, nuclear weapons, cruise and theater ballistic missiles, and other precision guided munitions have decreased in cost and continue to proliferate. Sophisticated air defense systems are becoming the norm. Furthermore, the declining cost of defense is outpacing the rising cost of offense, challenging your Air Force's ability to present an effective conventional deterrent. The bold and deadly actions taken by revisionist powers in the last five years would have been unimaginable just a decade ago. Deteriorating military strength is an invitation for conflict as rising or unstable powers seek to gain from our eroding competitive advantage.

We must counter these challenges. This requires agile Airmen who we trained and equipped for all possible scenarios with modernized weapons systems and infrastructure where it counts the most. We remain grateful for recent budgetary relief from the Budget Control Act (BCA) caps in Fiscal Years 2016 and 2017, but Fiscal Year 2018 and beyond will return us to inadequate funding to carry out the National Military Strategy. Uncertain future budget topline make it difficult to deliberately balance investments to modernize, recover readiness, right-size the force, and win today's fight.

Our rapidly shrinking advantage over competitors is the result of their increasing investment in areas designed to blunt our strengths combined with our limited funding and that of our Allies and partners. In fact, our forecasts from five years ago reflected we would have greater funding and fewer combat requirements than we are experiencing today. The combined strategic challenges of international financial turbulence, tenacious violence in the Middle East, and more ambitious great power actors have created a gap between the funding we need and the funding we receive.

Combat requirements since 2001 have created an imbalance due to a necessary focus on operations in relatively permissive environments. However, that does not relieve the Air Force from our obligation to be ready—*always*—to deter or defeat an adversary in a conflict where air superiority must be fought for and maintained instead of expected at the outset. Our Joint Force has enjoyed uninterrupted Air Superiority since April 1953—the result of realistic training and wise investments. Despite our

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

outstanding aviators, maintaining Air Superiority while flying 20th century aircraft against 21st century enemy air defenses represents a strategic mismatch. The Fiscal Year 2017 PB works to correct this, but in order to ensure we have the capacity for today's operations, we curtailed F-35 procurement and delayed some 4th generation modifications necessary to keep our aging fleet relevant against all foes. The longer we are forced to delay modernization, the more we jeopardize our ability to dominate full-spectrum conflicts. This is a risk we must not take. Although we provide world-class intelligence collection, rapid global mobility, air and space superiority, command and control, and global precision attack, your Air Force's future as a full-spectrum war-fighting force is in danger without substantial modernization.

IV. A CALL TO THE FUTURE

America is an air and space power nation. In an historic anomaly lasting 25 years, the U.S. has possessed unparalleled dominance in the air and in space, enabling a generation of Airmen to focus almost exclusively on operations against non-state threats in permissive air environments. However, dominance is not an American birthright, and air, space, and cyberspace superiority are not American entitlements. Without the ability to achieve national security objectives in air, space, and cyberspace—all under-written by a strong and reliable strategic nuclear deterrent—America's influence will diminish and the Joint Force will be forced to radically change how it goes to war. American lives may needlessly be put in danger and our leaders' options will be limited.

Air forces that fall behind the technology curve fail, and if the Air Force fails, the Joint Force fails. Your Air Force understands balancing combat capability, capacity, and full-spectrum readiness is a strategic imperative. While balancing today's combat requirements, maintaining readiness, and growing our endstrength, we must simultaneously modernize in order to halt the erosion of our technology and capability advantages. In the Fiscal Year 2017 PB, we made difficult choices to best achieve this needed balance. However, to successfully execute the PB, we need your help to ensure we have the appropriate funding, the flexibility to execute the choices we are presenting, and long-term budget stability. We also request the repeal of the BCA which increases the risk to the Nation and our Allies.

In order to create a consistent plan for our Service, we built a Strategic Framework that ensures our budgetary decisions are based on strategy. The core of this framework is a family of strategic documents describing the expected future environment, our Service core missions, how your Air Force will accomplish those missions 20 years from now, and what we need to focus on during this future years defense program (FYDP) to meet that strategy. The PB is built upon this resource-informed Strategic Framework, and it continues our efforts to "right the force" after Fiscal Year 2013's sequestration. This

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

Strategic Framework and our three priorities of Taking Care of People, Balancing Readiness and Modernization, and Making Every Dollar Count are the foundation of the Fiscal Year 2017 PB.

Our strategy-driven Fiscal Year 2017 PB is consistent with last year's PB and offers the best balance for America's current and future air, space, and cyberspace requirements at Bipartisan Budget Act (BBA)-level funding. It is designed to synchronize budget and acquisition decisions with strategy and provide a continuing advantage against competitors across the range of military operations despite the modernization slowdown necessary to continue current operations. It is credible, affordable, and executable—if we're allowed to execute where we have requested.

Despite a BBA that resulted in a lower-than-expected Fiscal Year 2017 PB, your Air Force will support the Nation's defense strategy and the most urgent Combatant Commander requests. The Fiscal Year 2017 PB is the result of difficult, purposeful, strategy-centric resourcing decisions made to meet obligations set in Defense Strategic Guidance. It aligns with Department of Defense and Air Force 30-year strategies and continues to gain ground in our ability to wage full-spectrum operations. It maximizes the contributions of the Total Force and reinforces investments in nuclear deterrence, space control, and cyberspace operations. It emphasizes global, long-range, and non-permissive capabilities and focuses on unique capabilities the Air Force provides to the Joint Force. It invests in our most precious resource—people—by growing our active force back to 317,000 Airmen by the end of Fiscal Year 2016. As part of our initiative to right-size our force, we also will right-shape our force by maximizing selective retention bonuses to address skilled manning shortages. We will take care of our incredible Airmen and protect our most important family programs by continuing to fully fund Military Tuition Assistance, Sexual Assault Prevention and Response programs, and Airmen Family Readiness Centers.

In addition to right-sizing our Service for today's demands, the Fiscal Year 2017 PB continues our efforts to balance readiness and modernization despite funding challenges. This PB includes a \$6.5 billion investment in Nuclear Deterrence Operations, an increase of \$4.3 billion over the FYDP compared to the Fiscal Year 2016 PB. This investment includes modernizing nuclear command and control, replacing outdated and unsupportable Minuteman III ICBM equipment, and building the Ground Based Strategic Deterrence program to begin replacing the aging Minuteman III in the late 2020s. We are also developing the Long-Range Standoff weapon which will provide the Joint Force with a survivable air-launched weapon capable of destroying otherwise inaccessible targets in any zone of conflict.

Additionally, we intend to delay the A-10 and EC-130 retirements to maintain capacity in support of today's operations. We will fund flying hours to their maximum executable level, invest in weapon system sustainment, and ensure combat exercises like Red Flag and Green Flag remain strong. We will

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

continue our top three recapitalization programs, though we have made the difficult decision to slow F-35 procurement. We will resource strategic assets such as the Space-Based Infrared System (SBIRS) to detect global missile launches. We will also invest in preferred munitions capacity and the Combat Rescue Helicopter recapitalization program while continuing to grow from 26 Cyber Mission Force Teams to 39. Lastly, we will fund improvements to Global Integrated ISR with a focus on the Remotely Piloted Aircraft (RPA) enterprise. These include increased benefits for aircrew, a program to train enlisted operators to fly the RQ-4 Global Hawk, a basing study to provide options to support flying RPAs on a schedule more conducive to steady-state operations, and other recommendations from our Culture and Process Improvement Program, a bottom-up review of issues impacting our RPA force.

The BBA has forced us to make sacrifices as we balance readiness and modernization. In this case, we must delay five F-35s and slow modernization of our 4th-generation aircraft. With increased funding, we would invest in these capabilities now to ensure they do not compete for funding with critical nuclear and space requirements in the out-years. Just as importantly, we must delay investment in aging critical infrastructure such as ranges, airfields, and taxiways, an action we have repeated annually since Fiscal Year 2013 sequestration. Every year we delay these repairs, operations are affected and the eventual cost of improvements grows substantially.

Importantly, this budget must mark the return of a committed investment to *Global Vigilance*, *Global Reach*, and *Global Power* for America. A return to BCA-level funding in Fiscal Year 2018 will undermine our readiness and modernization; it will require your Air Force to depart from a long-term, Strategic Framework in favor of a course of action that funds only things absolutely required in the short-term. It will abet our challengers' efforts to further erode our capability and technology advantages, and we will be forced to slow our modernization programs, delaying our planned readiness recovery. A return to BCA-level funding will limit our space, cyberspace, and nuclear improvements and further degrade Air Force-wide infrastructure and installation support. It is critical that the looming threat of sequestration ends. BCA-mandated across-the-board defense cuts will act as a straitjacket, preventing the department from reallocating funds to the most critical capabilities and investments at the very moment such flexibility is paramount. This will result in significant strategic risk and greater cost over the long run. Fiscal Year 2017 represents a critical point when the Air Force can continue to "right the force" in terms of size, capacity, readiness, and present/future capabilities. Alternatively, Fiscal Year 2017 could simply represent temporary relief before inadequate future BCA-level funding thwarts modernization and readiness initiatives. Make no mistake, BCA-level funding will result in longer timelines to meet Joint Force objectives; this could result in increased risk to mission and service members.

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

Our Nation requires bold leadership from the Congress. Your Air Force needs the authority and flexibility to execute our strategy through Congressional support of the Fiscal Year 2017 PB. We appreciate the BCA relief provided by the 2015 BBA, but responsibly sustaining and investing in U.S. security requires long-term budget stability and the repeal of BCA. Critically, even at BBA funding levels, the overall capability gap between us and our competitors will continue to narrow; we can preserve the advantages in some areas, but determined adversaries will close gaps in others. Accordingly, we are prioritizing the Joint Force requirements our Nation needs the most.

V. CONCLUSION: A CALL TO ACTION

Today's national security challenges come from a combination of strong states that are challenging world order, weak states that cannot preserve order, and poorly governed spaces that provide sanctuary to extremists who seek to destabilize the globe. The world needs a strong American Joint Force, and the Air Force is its first and most agile responder in times of crisis, contingency, and conflict. The Joint Force depends upon Air Force capabilities and requires airpower at the beginning, the middle, and the end of every Joint operation. As our Army and Marine Corps get smaller, they do not want less airlift; they want it to be more responsive. As Combatant Commanders look toward battlefields of the future, they do not want less ISR; they need *more* persistent, capable, and agile ISR. Should our Nation find itself in another conflict requiring boots on the ground, we have the responsibility to assure air superiority so American Soldiers and Marines may keep their eyes on their enemies on the ground rather than concern themselves with enemy airpower overhead. America's Air Force must be able to disrupt, degrade, or destroy any target in the world, quickly and precisely, with conventional or nuclear weapons, to deter and win our Nation's wars. Undoubtedly, decisive air, space, and cyberspace power—and the ability to command and control these forces—have become the oxygen the Joint Force breathes and are fundamental to American security and Joint operations. Whether in support of global counter-terror operations or great power deterrence, your Air Force remains constantly committed, as we have without respite for the past 25 years.

In the face of a dynamic, complex, and unpredictable future, your Airmen provide a strategic advantage over America's competitors. They are educated, innovative, and motivated. Their ability to see threats, reach threats, and strike threats is an effective but shrinking conventional deterrent against America's enemies. These courageous Airmen, when properly trained, effectively equipped, and instilled with the trust of their leadership, will ensure the Air Force continues to overmatch opponents in Joint and Coalition operations and defend the United States from any who would do us harm.

Fiscal Year 2017 Air Force Posture Statement

March 2, 2016

The Fiscal Year 2017 President's Budget—and the flexibility to execute it as we have recommended—is an investment in the Air Force our Nation needs. The global developments of the last five years have reminded us that America's Air Force must have the capability to engage anytime, anywhere, and across the full spectrum of conflict all while providing a reliable strategic nuclear deterrent. America expects it, Combatant Commanders require it, and with your support, our Airmen will deliver it.

Mr. FRELINGHUYSEN. Thank you, General.

We have a lot of chairs, and the ranking member is sitting at the table here today, and there is a keen interest in asking questions. Mr. Womack would like to have Chairman Cole have his opportunity to be here today.

So, in an unselfish act, I am going to recognize you for the first question so you can go relieve him.

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

Mr. WOMACK. Thank you so much, Mr. Chairman. And I appreciate my friend Mr. Carter for giving me the opportunity to do that so Mr. Cole can make it.

First of all, to our witnesses here today, thanks. Thanks for everything you do. It has been a source of great personal pride for me to have a relationship with both of these two persons, who have both visited my district. And I am eternally grateful for what you represent, how you represent us, and what you represent in uniform.

And I would just say this. I have had an opportunity, the unique opportunity, to be around our services in a very unique way, and I have to tell you, Mr. Chairman, as far as Reserve component integration goes, nobody does it better than the Air Force. And that is a leadership-driven exercise. And I am really grateful for that.

I want to confine my questions to ISR. General Welsh, you just gave a pretty good synopsis of where we are in that capability. And, Madam Secretary, you talked about it in your remarks.

The Air Force fiscal year 2017 request includes funding to sustain the MQ-1 and MQ-9 medium-altitude permissive ISR capability with 60 remotely piloted aircraft combat lines to support combatant commander needs.

So here is my question. Based on this surging demand that you have already articulated, we know that you are increasing RPA support unit capacity stateside, and do you expect the RPA enterprise to continue to grow into the out-years? And what concerns does that present for our country and certainly for our Air Force?

I would also like to—I am going to put a couple of questions on your plate here, and then I will yield.

As demand for ISR has grown quickly, the capacity has yet to keep up. And, understanding our budgetary constraints, when do you expect our capacity to catch up with demand? Now, that does require to have a bit of a crystal ball out there in terms of future conflicts, but I think you get the idea there.

And with the ever-increasing need for more, coupled with units like the 188th in my district that support this growth, do you see the need for more stateside basing of similar units in the total force?

And I had some others, but I know I will run out of time. I want to give you an opportunity to respond to those particular questions because they are going to be increasingly important to the fight.

Ms. JAMES. So I would say, Congressman Womack, when it comes to the first part of your question, in terms of do we foresee ISR growth, yes, we do.

We have ISR growth already embedded in our budget now. And based on, as the Chief referenced, the Culture and Process Im-

provement Program (CPIP), that action that the air combatant commander took where he asked many of the airmen for their suggestions, it became very clear really to him and to all of us that we needed more growth.

So I expect that there will be more growth that is coming out of the next Program Objective Memorandum (POM) that we do. So there is what you see before you in the 5-year plan, but by the time we lay out next year's 5-year defense plan I wouldn't be at all surprised to see more growth.

In terms of when will capacity catch up with demand, I don't want to sound flip, but I think the answer is probably never, because as we continue to grow, the demand just keeps going up, up, up.

Now, we do have what we call our get-well plan in order to have a proper quality of life, a proper pace of life, and the right number of Airmen who are in sync with doing a certain number of caps. So that plan we will catch up within the next year, year and a half or so, if I am not mistaken. But every time I speak to a combatant commander, they want more. And, indeed, that has been our history. Every time we thought we knew what the requirement was, the requirement has gone up.

And I, furthermore, think that more stateside basing is something that we absolutely should look at.

General WELSH. I agree with the boss. I think the growth in the RPA community will be two different types: short-term and long-term.

The short-term growth will be more demand for what we have today. We hear that routinely. The Department has tried to stabilize the requirement at 90 lines. The Air Force will be responsible for 70 of those; 60 will be blue-suit; 10 of them will be government-owned, contractor-operated. And they will do ISR only. They won't do anything else. And the others will come from the Army and from others and other Government Owned Contractor Operated (GOCO) operations run by the Department.

So that is going to be the requirement going forward. Will it stay there? Probably not. I remember it was 21 caps in 2008, and it hasn't stayed there very well.

The thing we have to think about, though, if it goes up dramatically is more people. It is manpower. The biggest restriction we will have won't be money or the ability to buy the platforms; it is finding the people and increasing our top line to afford 10,000 or 20,000 or 30,000 more people to do this enterprise.

We have built this enterprise out of nothing over the last 10 years, 12 years, and it now has 7,000 active duty and 14,000 Total Force personnel. We did it at the same time we were drawing down the Air Force overall 50,000 people. So to the rest of the service, it was a 57,000-person cut.

So everything else is thinned out. We needed to build this enterprise, but if we keep building it, we are just taking muscle out of every other mission area to do it now. There is no place else to go, which is why we had to go to modernization this year in the budget. We couldn't take more people.

Mr. FRELINGHUYSEN. Okay. Thank you, Mr. Womack.

Ms. McCollum and then Judge Carter.

THE ARCTIC REGION

Ms. MCCOLLUM. Thank you, Mr. Chairman.

It is going to come as no surprise to my colleagues that I am going to talk about the Arctic, as I have with many of our other service representatives and even in the classified briefings.

Chairman Calvert and I spend a lot of time working on interior issues, and we are hearing firsthand from many tribal nations that we are going to have to be looking at working with them for relocation for places to live. And so it made me curious about what was going on with some of our other Federal assets in the Arctic region.

So, Secretary James and General Welsh, as you know, the Arctic is a resource-rich environment feeling the full effects of climate change. Melting sea ice has opened navigable waters in the Arctic and has changed the strategic calculus in the region.

With respect to the Air Force, I am particularly concerned about the effect climate change is having on our facilities in Alaska. A GAO report on the Department of Defense infrastructure and climate change from May of 2014 states that the combination of thawing permafrost, decreasing sea ice, and rising sea levels on Alaska coast have led to an increase in coastal erosion at several Air Force radar early-warning communication installations. This erosion can damage roads, utilities, seawalls, runways, and, in some cases, cutting these facilities off from all but small planes and helicopters.

Due to the critical need for these early-warning facilities and a changing threat environment, we must ensure that our infrastructure in Alaska is maintained. Are there Air Force facilities at risk? What is the Air Force doing to mitigate the impact of climate change on all your facilities?

Ms. JAMES. So I will start maybe. And, Chief, you jump in, as well.

First of all, when it comes to the Arctic, I agree with you, it is very important. And we do, of course, have a Department of Defense (DOD) strategy which feeds into the national strategy on the Arctic.

And for the Air Force, of course, our focus in all of this is access in air and space as well as early warning, being able to conduct ISR, and providing communications. In the near term, very focused on Air Force support to civil authorities and other agencies that are doing a wide range of activities.

In terms of climate change, that is a big deal, too. And recent Quadrennial Defense Reviews (QDRs) have recognized climate change as an emerging threat and condition that we have to really pay attention to in our national security. And combatant commanders, of course, have to react and deal with emerging threats as they present.

I do not have at my fingertips—but perhaps you do—the exact impacts in Alaska.

General WELSH. Ma'am, there are a couple of facilities that have been affected. We have one radar site—and I am blanking on the name. I apologize. I can get it for you. I am just not thinking of it right now.

Ms. MCCOLLUM. That is okay.

General WELSH. Which has had a real problem with this, because the ice that used to be along the coastline that protected the infrastructure along the shore from the waves that would crash in is gone. And so the waves are now hitting the shore, they are hitting the concrete abutments where the piling was. They are actually working at the foundation of some of the infrastructure that is along the coastline—stuff that was never a problem before, and it is clearly a problem now.

I believe the last number I saw was \$50 million to \$60 million in estimated damages at a couple of—total, in a couple of places in Alaska, these small sites that are along the coast.

We can get you the specifics on this, ma'am, because there is an issue. It is a serious issue.

Ms. MCCOLLUM. Mr. Chairman, as these facilities are facilities we looked at maybe at doing general maintenance as a line item in previous budgets, we might have to be looking at moving them and the relocation costs associated with that.

So I think as we move forward in our budget planning for facilities—and I am going to have another question later on about some facilities that maybe should be closed down—we are going to have to look at cost savings, but we are also going to have to look at a security threat possibly in Alaska if we don't start moving forward on making sure that these facilities are secure.

I saw some University of Alaska shots of what they predicted would happen to some of our Air Force assets in Alaska and the moves that might have to come, because they don't see this climate change doing anything but moving forward. And Alaska is losing its ice shelf at a more rapid pace than they thought, exposing some of our facilities.

Thank you.

Mr. FRELINGHUYSEN. Thank you, Ms. McCollum.

Judge Carter and then Mr. Ruppersberger.

AIR FORCES IN EUROPE

Mr. CARTER. Thank you, Mr. Chairman.

I want to welcome both of our guests. I think you are both exceptional people, and it is an honor to work with you.

General Welsh, as you know, the Army—and you know I am at Fort Hood, I have got the Army all over me—is transitioning from 15 years of counterinsurgency to decisive action operations.

How does this budget reflect the Air Force's role in supporting this strategic transition, ensuring we capitalize on the relationship built between the Air Force and the ground forces over the last 15 years? Can you speak to your service's current support of the ERI at combined training centers and the European training exercises?

General WELSH. Yes, sir. I would be happy to.

A couple of things. Number one, worldwide, not just in Europe, we have been working very closely with the Army for a long time now. Remember, air-land battle actually started back in the mid-1980s. We have come a long, long way since that point in time, and we have airmen embedded with Army units all over the world now. They live with them, they train with them, they fight with them, and they die with them occasionally.

So this is something we cannot lose the lessons from, not just of the 15 years but of the last 30 or 35. We are working this very, very hard. We have established a program office, for example, to make sure those guys keep up with the technology that the rest of our battlefield airmen and special operations community are using and bring that to the relationship with the United States Army.

We are reenergizing the effort to support the Army rotations at the National Training Center and at Fort Polk with our Green Flag exercises. We are in Europe, all the things that are going on with European Reassurance Initiative (ERI). We have Air Force units that are rotating heel-to-toe, just as the Army and the Marine Corps have ground units rotating heel-to-toe. The Air Force Joint Terminal Attack Controller (JTACs) are training North Atlantic Treaty Organization (NATO) JTACs side-by-side with Army maneuver units.

We are committed to doing this together. Mark Milley and I are kind of bonded at the hip on this one. We can't lose this relationship.

Mr. CARTER. And you think it is better than to permanently station over there to have the heel-to-toe deployment? Is that a better plan? I have asked the same thing of the Army.

General WELSH. Oh, I think it depends on how you look at it, sir. You know, the Army has done about what the Air Force has done, which since, you know, 1980 or so, we have pulled 75 percent of our force structure out of Europe. Replacing it permanently back into Europe would be immensely expensive and would pose a set of challenges you might not get past.

The next best thing is rotational presence, making sure we stay connected to our allies, making sure we are assuring and re-assuming them, and making sure that we are training together in an environment that it is important to know how to fight in just in case we ever had to.

Mr. CARTER. Do I still have time?

Mr. FRELINGHUYSEN. Thank you, Judge Carter.

Mr. CARTER. Oh, thank you.

Mr. FRELINGHUYSEN. Oh, did you have another question?

Mr. CARTER. No, that is fine.

Mr. FRELINGHUYSEN. Okay. Thank you.

Mr. Ruppertsberger and then Ms. Granger.

THREATS TO U.S. SPACE ASSETS

Mr. RUPPERSBERGER. Again, I want to thank you both for your leadership. It takes leadership, and you are doing a great job.

I want to get into the—we have talked a lot in this committee about space costs, not only in terms of launch costs but also in their development. However, in the face of the resurgence in China and Russia, it is important to ensure that we are taking the necessary actions to protect our investments in space.

Now, in recent years, both Russia and China have conducted tests of antisatellite weaponry. In order to ensure the United States is able to continue to project power in space, I believe it is vital that we have visible deterrence to these capabilities of our near-peer competitors.

I understand the nature of this question is sensitive and perhaps these deterrents are not yet ready to be made public or are classified. However, please do your best to answer the following questions:

First, do Russia and China currently have the capability to pose a credible threat to U.S. space assets?

Second, is the Air Force investing in deterrent technologies to defeat their capabilities?

And one other question I would like you to answer in the end—and I am repetitive when we do this, but I think that the sequestration law is probably one of the worst things that has happened to this country and to our national security. And I just want to make sure we ask the question, that you can address if we don't deal with this issue.

Luckily, we have a 2-year hiatus, thanks—and I think most of the members of this committee, especially my friends on the other side, understand how serious the sequestration law is to our national security.

Thank you.

Ms. JAMES. I would begin by saying I do think there are very credible threats to our space assets. And you know it, Congressman Ruppertsberger; a lot of America does not realize how important space is to both military and to the civilian way of life, but it is crucial.

And there are credible threats out there. That is precisely why we are putting so much focus on it. We have shifted on the order of \$5.5 billion toward, as you call it, sort of deterrent aspects, protecting our constellation.

And we are also, very, very importantly, undergoing a culture change. When in the past perhaps we looked at satellite operations as an operations aspect, now we are looking at it much more as a—just as we look at other domains. We are doing war-gaming, we are doing experimentation, we are actively thinking about, if this happens, then how do we protect and fight the constellation. That is a culture change for our Airmen, as well.

And then sequestration, I couldn't agree with you more. It is a bad law. It will have impacts if it goes through again in every part of our Air Force, including space.

Mr. RUPPERSBERGER. Thank you.

General.

General WELSH. Sir, our space assets are clearly at risk today. We are investing and planning for ways to mitigate that risk and become more resilient in that domain over time. And, clearly, sequestration is a threat to national security unless we are planning on changing the national security posture of the United States.

Mr. RUPPERSBERGER. Thank you.

Mr. FRELINGHUYSEN. Thank you, Mr. Ruppertsberger.

Ms. Granger and then Mr. Ryan.

RESERVE COMPONENT

Ms. GRANGER. Thank you both for being here, and thank you for your service. It is exceptional, and we appreciate it very much.

General Welsh, on your retirement, I hope we get to see some of you in Texas. I look forward to that.

General WELSH. You will, ma'am.

Ms. GRANGER. And, Secretary James, thank you.

The Army recently released a report of the National Commission on the Future of the Army, and that was similar to a product to the Air Force which was released several years ago. As part of the report, a sizable drawdown of forces was announced.

I know you mentioned this in your openings remarks, but go over it one more time, what a right-size Air Force looks like in terms of military end strength. And how are you best incorporating the Air National Guard and the Air Force Reserve?

Ms. JAMES. I will begin by saying I think a right-size Air Force has to be bigger than the Air Force of today, which is why we are building up minimally to that 317,000 number I referenced on our Active Duty side.

But I am prepared, if we can get the right talent in, to go beyond that. Under law, the Secretary of the service has up to 2 percent authorization to exceed end strength in any given year. And so that is what I meant when I said, if we can get the right talent, I would use that authority, and we may have to come back and ask for your assistance at the appropriate time with a reprogramming.

I think, similarly, we could use some additional end strength in the Reserve components, National Guard and Reserve. And, once again, I would judiciously use that authority if we get the right talent into our force.

I think, you know, ultimately, 321,000, particularly on the Active Duty side, is a number that we have validated, we have talked about it in the past, so I would use that as a target. But then we look at the ISR discussion that we just had and needing to build that up. Those numbers are not fully in the 321,000. So it may actually be higher than that.

But my point is the bottom line is we can't go any lower, and we have to continue the steady state of modestly building up to fill holes, important capabilities like ISR. And it must be on a total force basis. We thank the gentleman, Mr. Womack. We like to think, you know, we are big total force supporters, and we are.

Ms. GRANGER. Thank you.

RETENTION

Yesterday, we had a hearing, and we talked about maternity leave for women in the military and having a situation where they are more likely to stay in and come back and not lose that asset.

When you talk about the pilots and the training and how many you have to train and making sure you have the right people, I know you are also looking at how to keep the right people. Because that training and losing them to the airlines and training again is so incredibly costly.

So do you see changes in the future? Are you looking at things that would keep them in longer?

Ms. JAMES. We are constantly looking at retention incentives, retention approaches. Specifically when we are talking about women, the Chief and I rolled out a series of initiatives some time ago to either help recruit or retain or, in some cases, develop some of our fantastic women minorities and, you know, white males, for that matter. We want better retention across the board.

So the maternity leave is one aspect. There are other aspects, as well. But you are quite right; when we lose highly trained, very capable people, it is not a good day for the Air Force. And so we want to keep them.

And, again, keeping them might mean keeping them in the Guard and Reserve. If they are on the team, they are on the team. But we want to retain.

Ms. GRANGER. General Welsh, do you have anything to add from your many years of service on retaining our talent?

General WELSH. Yes, ma'am. We have always retained enough talent to remain a great Air Force, and I think we will in the future.

There are always going to be people whose time has come to separate. Their family needs more stability. They have a different career goal in mind in a different arena. Those people will serve honorably, they will leave, we will congratulate them and be very proud they stood beside us.

There are other people who are going to stay in because they love the Air Force, they don't want to leave, they just want to keep doing what they are doing.

And then there are some in the middle who are wavering one way or the other, who typically enjoy the job, enjoy the work they are doing, whether it is flying or anything else, but they are frustrated by something. It could be not enough hours at the child development center, it could be not enough flying time, it could be any numbers of things. And what we have tried to focus on is identifying those things that would make a difference to the people who are on the fence and try and keep them in.

For anybody who is leaving, we have tried very hard to get the information out to them so they can go to the Guard or Reserve. Because if we keep them in the Guard and Reserve, we keep them in the Air Force. It really is one Air Force when it comes right down to it, and they will be fantastic supporting us in those components.

And so the Active Duty force has to remain strong so the Guard and Reserve can remain strong. So that is where we tend to focus. What are the things that keep those people who are wavering and could go either way in the Air Force? And that is where incentive pay, bonuses, and things do have an impact in that regard, but they are not going to convince everybody. But the ones we are after, they sometimes will keep with us.

Ms. GRANGER. Thank you very much.

Mr. FRELINGHUYSEN. Thank you, Ms. Granger.

Mr. Ryan and then Mr. Crenshaw.

C-130 SPECIAL MISSION AIRCRAFT

Mr. RYAN. Thank you, Mr. Chairman.

Thank you for your service. I appreciate you being here.

One of the issues that we have to grapple with, too, is not just the military issues but also some of the other threats that we are seeing that face our country and the world.

Last year, in the appropriations report, we gave you some language for compliance with a directive to say that we need to prioritize recapitalization of the Air Force's three special mission

aircraft—so the aerial spray, the airborne firefighter system, and the hurricane hunters. And we are seeing even more of this now with Zika, that the aerial spray unit, I think, can play a major part in helping us combat some of this.

So can you tell us what your plan is to ensure that we can meet these challenges?

General WELSH. Sir, the Air Mobility Command has got the lead to put together an integrated modernization plan for the entire C-130 fleet. That includes everything from C-130J recapitalization to Avionics Modernization Program (AMP) Increment 1 and 2 for all the C-130H models in all three components.

Now, that plan has been—the funding is in place to complete the modernization program for both increments. The detailed plan of which units rotate when is being developed right now, which ones will go to—on what timetable to do the Increment 1 and 2 upgrades.

And the other piece they are putting in this is a game plan for, if we were able to get additional C-130Js, where would they go first. Because the only thing we have left on the buy on the Active side is our Air Force Special Operations Command, C-130Js, which come in over the next 4 years before they complete. After that, there is no money in the C-130J line, but we would clearly like to continue to recapitalize the C-130 fleet as we can. It wouldn't make sense to upgrade airplanes, Inc 1 and then Inc 2, and then buy a C-130J and replace the newly modernized airplane.

So we are trying to build into that plan an option for recapitalizing specific units in the Reserve component with the J model as kind of the first place we would go. Your language from last year that came out in the National Defense Authorization Act (NDAA) is part of the factors that AMC is considering in that detailed planning.

I think within the next 2 months the plan will be finalized, it will be coordinated with The Adjutant Generals (TAGs) and with the Air Force Reserve wing commanders, and we will be able to share with everybody.

Mr. RYAN. Okay.

Madam Secretary, do you have anything to add?

Ms. JAMES. No, no, I really do not. I think the Chief covered it.

Mr. RYAN. Okay. Great.

The other piece, quickly, Mr. Chairman—because I know you are looking at me.

Mr. FRELINGHUYSEN. We always enjoy looking at you—

Mr. RYAN. I could feel him. I could feel him right here.

Mr. FRELINGHUYSEN [continuing]. Listening to you.

ADDITIVE MANUFACTURING

Mr. RYAN. Just to mention America Makes, which is the additive manufacturing institute in Youngstown, Ohio, that is doing a lot of work with the Air Force now. We are also partnering with the University of Dayton Research. And this is 3D printing parts well into—hopefully soon, but well into the future that I think can save the Air Force lots and lots of money, the military lots and lots of money, to be able to print some of these parts wherever you are.

This is the future of manufacturing. This is the future of the military. And you are continuing to help drive this.

So I want to bring that to your attention and say how great it is to watch this whole new industry and sector unfold. It is projected to grow about 25 percent a year for the next 10 years and can help us reduce costs here. So I want to thank you for your support for that and hope we can continue to have your support on that. So thank you very much.

Mr. FRELINGHUYSEN. We are always proud of the Buckeye contribution, and I am sure the Air Force has duly noted it.

Mr. Crenshaw and then Mr. Graves, who is very patient at the end there.

JSTARS

Mr. CRENSHAW. Well, thank you, Mr. Chairman.

And let me add my words of thanks to both of you all for your service.

I want to talk a little bit about the JSTAR program. It seems like every year the Air Force moves the goal post, and I guess it creates a certain amount of consternation with this subcommittee. Like, this year, you asked for half as much money, and then the program slipped another 2 years.

And, as I understand it, this is a nondevelopmental program. You take an end-use airplane and you put an end-use sensor on it, and people say, why does that take 12 years? And I have talked and I know other members of the subcommittee have talked to senior people at the DOD, have talked to senior folks in your organization, just to say, what is going on? Who is slowing this thing down? And industry indicates you could probably do this in half the time. That may or may not be true, but we get different answers from the different folks we talk to.

And I guess the question is—maybe, since you all are going to make the final decision, we get to ask the right people—what is going on? I mean, why is it taking so long? Is it being slowed down on purpose?

It seems to me that there is a certain risk involved, if we don't have these replacement planes, that the combatant commanders are not having an asset they need.

So tell us what is going on, why is it taking so long, and is there a chance you could speed it up or make it happen in a more reasonable amount of time. We need some, kind of, final answers, please.

Ms. JAMES. So I would begin by saying the start date on this has changed over time for at least two or three reasons. So the two that really leap to mind: The Air Force slowed it down at one point because I think it was the judgment of our service acquisition executive and some others that the laydown of the strategy wasn't quite ready at that point, that it was too ambitious, that if we were going to do it we wanted to do it right, and we needed a little bit more time to think it through. So that was one aspect.

Another aspect is there has been a debate, which has now been settled, by the way, but there has been a debate within the Department of Defense with respect to, you know, requirements and could this capability be done by an unmanned platform and is it really ISR or is it battle management or is it both. So there was a debate

sort of surrounding requirements that we had to work through, which is now settled, as I said, which allows us to move forward.

So I just want to say to you we are very committed to the program. It is an important part of our future. We are going to get going with it. I would love to speed it up if at all possible, and we will be looking to see can we do that.

It is a little bit more challenging, though, than taking an existing platform and putting existing radars. It is a little bit more challenging than that because it requires the integration of these things together in new ways. So it is not quite that simple.

But believe me, we do want to go as quickly as we can because it is an important program for us.

Mr. CRENSHAW. Well, do you have—I mean, so it slipped to—this year, you asked for half as much as we might have anticipated, and so it slips 2 more years. What are you saying? That it is not going to slip anymore? Or it is back on track? Or what is the new timeline?

Ms. JAMES. So right now we are in what we call technology maturation and risk reduction. There are three different companies that are participating in this. And this is to buy down the risk associated with some of the radars.

So the amount of money that we requested this year very much goes with that increment of the program. So you have to get that part done before you start spending money on the other increments of the program.

So it is certainly my hope and I am going to be working as hard as I know how to work to keep it on track according to this schedule from here on out, with the caveat that these are development programs, integration can be a challenging aspect, and you just don't know what you do not know. So it is development, and that is why I would caveat it.

Mr. CRENSHAW. So you have a plan now. You have settled some of those issues, and there is a plan to get it done, right?

Ms. JAMES. That is right.

General WELSH. Congressman, there is no bigger proponent for this program than me. It is in the budget. It is funded all the way through initial operational capability (IOC). 2024 is the plan. We would like to pull it back to 2023 for IOC, which means we should be delivering airplanes into 2021 or 2022 at the latest.

And we think we are past all the resistance. We think we are past the tech maturation problems. We think, this year, the reason for the lower amount was so that companies could actually do this work. It has to do with integrating a radar, which there were some problems with. And that is why I think our Senior Acquisition Executive (SA) made a wise choice to just take a deep breath for a year, let's get this right, and then we will kick the program off and go.

I think we are on track. Unless somebody else jumps up and tries to stop it, I think we now have a plan, it is funded, and we are ready to roll.

Mr. CRENSHAW. Great.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. This is an imperative. And you are going to be reporting, I think, to the committee in pretty short order as to where we stand.

General WELSH. Yes, sir.

Mr. FRELINGHUYSEN. Okay. Thank you very much.

Mr. Calvert—excuse me, Mr. Graves, I wanted to recognize Chairman Calvert, who actually was ahead of you.

Mr. Calvert.

SPACE LAUNCH

Mr. CALVERT. Thank you, Mr. Chairman.

And, Secretary James, General Welsh, thank you for appearing before the committee. And, certainly, thank you for your dedicated service to our country. We certainly appreciate it.

We are proud of our Reservists and our National Guard units over at March Air Reserve Base in California. They are doing a fabulous job for our country, and we certainly appreciate their support.

I would like to talk a little bit about where we are going in launch. A number of us are concerned about space and our future in space, what our plan is to make sure we maintain our superiority, but we also have to get to space. And, obviously, you know, we went down this track to create some competition for ULA with SpaceX, which has been successful and—some successful launches.

We didn't anticipate, of course, that Russia would invade Crimea and occupy it and the provocative actions in Ukraine and Syria and elsewhere, where it makes it very difficult for us to justify acquiring RD-180 engines from Russia to power our Atlas V. And, of course, the Delta is retiring. Now we have created another monopoly maybe.

So we need to get a replacement engine as quickly as possible. You were talking about that in your testimony. And I am happy to see where the Air Force has worked together with ULA and Rocketdyne to start moving forward with the AR-1 replacement engine. And Rocketdyne seems to be pretty confident that they can get this engine up by 2019, but you mentioned that there may be a need to acquire RD-180 engines, but I don't think that the Congress, certainly in the Senate—I don't see a lot of support for that.

So what is your plan for launch in the next few years before we can get a replacement engine? I think, you know, obviously, Blue Origin and others are trying to create other ways for us to get to space, but we are going to have this gap here. Are we going to put off the retirement of the Delta? How many reserve engines do you have on the RD-180? How long will that get us?

So, with that, I will turn that over to the Secretary and the General.

Ms. JAMES. You just gave a great summary, Mr. Calvert, of the complexity of space. And there are probably 10 other factors that I could throw into the mix that you just said. It is a very complex thing.

I always try to go back to basics as I try to think through all of these complexities. The basics are we have three mandates. We want assured access to space, and that is the one that we care most about. We want to get off the RD-180 as soon as possible, and we

are shooting to have that development done by fiscal year 2019. And we want competition.

I think the conundrum is we are increasingly looking like we can not have all three of those because we are boxed in in such a way that something is going to have to give. So it remains to be seen what, but let me, if I may, tell you our strategy.

Because the Commercial Space Act says that we buy, in this country, launch as a service—in other words, we do not buy an engine and we do not buy a rocket; we buy launch as a service—that is why we are trying to invest in rocket propulsion systems that relate to launch as a service.

And so, as I mention, we have just awarded, in a full and open competition way, moneys that you all appropriated that provide different companies that have the capacity possibly to take us into space ways to help their rocket propulsion systems do that. And Aerojet is one of companies, but there are others that also won some of these moneys in the competition as well.

The reason I said why flexibility and some additional, like, nine new RD-180s would give us what we think is reasonable flexibility, it allows us to compete. If we don't have more, there may not be a competition.

Mr. CALVERT. But isn't it true—I mean, I don't—there seems to be overwhelming opposition to that, especially in the Senate. One particular Senator I have in mind is just absolutely no. So if that occurs, what do we do in the meantime?

Ms. JAMES. Then we may not have the competition aspect. That is why I say we have three mandates; we may have to give up on one. We may have to look for another mechanism to assure us the access to space.

Mr. CALVERT. Is SpaceX capable of meeting that challenge if, in fact, they are the only launch capability we have?

Ms. JAMES. There are eight types of launches, and right now, today, SpaceX is capable of doing four of the eight.

Mr. FRELINGHUYSEN. Would the gentleman yield?

Mr. CALVERT. Yes.

Mr. FRELINGHUYSEN. Would you put some numbers on what you are talking about here? This Monday, didn't you announce that you will spend a certain amount this year and up to \$530 million for Aerojet?

Ms. JAMES. Yes. So——

Mr. FRELINGHUYSEN. And then you are making a similar investment with the Blue Origin.

Ms. JAMES. That is correct.

Mr. FRELINGHUYSEN. Maybe we can give the committee some perspective. We're talking about, I think, spending, I think, to date, what is it, \$750 million or something. It is some incredible amount.

Mr. CALVERT. I think it's closer to \$1 billion.

Mr. FRELINGHUYSEN. Yes.

Ms. JAMES. That is right.

Mr. FRELINGHUYSEN. Put some numbers, if you would, if you—thank you for yielding.

Ms. JAMES. Would you like me to do it now, Mr. Chairman?

Mr. FRELINGHUYSEN. Please do. Yeah. I think——

Ms. JAMES. Okay. So what we have announced \$115 million for Aerojet Rocketdyne, which assuming our options are exercised, would go up to \$536 million over the next few years. And then there is—that is what it is for Aerojet. And I could go through each of the companies. But the main point I wanted to make is we have now obligated all \$220 million that you have given us for fiscal year 2015, to just show the urgency, that we are getting on with this. And these are all different companies that can help us get to space in a full and open competitive way.

But the main point is the competition. We were trying to preserve the competition for the next few years. And that is where, if we can get the additional RD-180s, we can assure that competition.

Mr. CALVERT. Well, as you know, Mr. Chairman, we already have a problem meeting our launch requirements. We don't have enough launch capability. And I certainly have some concerns here in the short term on how we are going to meet our short-term requirements to get to space. And that is something we really need to focus on here.

Mr. VISCLOSKEY. Would you yield for a second?

Mr. CALVERT. Sure.

Mr. VISCLOSKEY. You had mentioned 2019, Madam Secretary. How confident are you? Is that a floor or is that a ceiling?

Ms. JAMES. The technical experts—put the companies aside for just a moment. If I look at the—sort of the technical experts in the government, they say 2019 for the development of a new engine is ambitious. We are moving toward it. It has not been done before in history. It is ambitious. But that is our objective. That is what the law says, and that is what we are moving toward. But the development of the engine is not integrated on a rocket, and it is not certified. So there are other pieces to this that must also be accomplished. And to get all of that done, we certainly believe it is beyond 2019.

Mr. VISCLOSKEY. I appreciate the gentleman yielding.

Mr. CALVERT. Thank you.

Mr. FRELINGHUYSEN. Okay. Who do we have? Mr. Graves.

JSTARS

Mr. GRAVES. Good morning, Madam Secretary, General. Thank you for being here.

Following up on Mr. Crenshaw's questions as it relates to JSTARS, and, first, let me just say thank you. I appreciate hearing that you would love to speed up the program, and, certainly, your passion for the program as well. We have a passion also as a committee, and very broad support, bipartisan support, in the Appropriations Committee, and in the Armed Services Committee as well in the House and in the Senate. And—but each year we have been hearing this love and desire to speed up or accelerate, but for some reason things slip and slip and slip.

Before you maybe share with us how we could accelerate, you know, knowing that you would like to accelerate, what are the mechanisms or the ways or the processes in which we could help, or that you expect could accelerate a program, share with this committee the dangers if we don't, because my understanding, and

maybe I am misinformed, is that there is going to be a major capabilities gap that will occur, that we can continue pushing this off. But as we do that, the current aircraft that are being utilized today are beyond their service life, or close. Half are in depot maintenance currently, when they should be in the air. And many are going to be coming off line over the years. And I heard that 2023 being IOC, which means really not capable or being used for another few years, I would imagine, or maybe that is.

But even if that was the first year of operation and then in a theater somewhere, that is still 7 years from today. And there is still a gap that is expanding over and over.

So, knowing that, could you just describe to us what the dangers are if we don't accelerate. And then what are the ways that you see that we could accelerate and move forward a little bit quicker. Thank you.

Ms. JAMES. Well, I would just begin by, you essentially did a great job of explaining the dangers. We could have a capability gap. The JSTARS of today are, on average, I believe, 47 years old. They have a lot of down time. There is a lot of maintenance issues. And yet they are very much needed by the combatant commanders. So the longer this takes, the more the risk that we would have that capability gap.

Just a couple other data points on the current schedule. We do expect a milestone B for the fourth quarter of fiscal year 2017. The Chief already said the IOC is in fiscal year 2024. But there is some possibility we could move that up a year or two. I believe—I do not believe more money this year would help. But let me go back and double-check that. I do believe more money in the out-years would allow us to speed up and possibly achieve that one- or two-year improvement that the Chief talked about. But please allow me to go back and double-check that dollar issue.

Mr. GRAVES. And as you mentioned, the capabilities gap, and maybe, General, you could answer this, current number of aircraft today that are operational, and current number that would be operational when the first IOC is available in 2024.

General WELSH. Sir, I would have to look—I would have to go look at the schedule of when airplanes are scheduled to drop offline based on new depot requirements and degrading airplanes. I don't know that exact number right now at IOC—

Mr. GRAVES. Average year would be 54 years old.

General WELSH. We can find those. But the first one is within a year of now. So it is—the problem is here. It is not in the future. And so the thing that has slowed this down the most over time has been this debate about what is the best way to meet this requirement. That has been the big slow-down. We are past that now. It was a fair conversation, I think. It had to happen. I am hoping we are past that.

The combatant commanders are still very clear in their requirement, the joint staff—Joint Requirements Oversight Council still supported the requirement, and so we are moving. And we will sign an Engineering and Manufacturing Development (EMD) contract. Right now, the milestone is the first quarter of fiscal year 2018. Once that contract is signed, I think we will have a better idea of the real timeline for the program. And we will very shortly, after

that, have an idea of how much can you accelerate based on where the technology and the integration process stands then; How successful was our risk reduction, and technology maturation effort over this year and the next year? And we will know more by then.

At that point, I think if we can accelerate, that is when we can throw more money at the problem and try and move it ahead faster. Until then, I think we are guessing. And I would hate to put a whole lot more money into the program at this point until we knew that we could actually use it the right way.

Mr. GRAVES. Okay. All right.

General WELSH. I would hate to even ask you for that money at this particular point.

Mr. GRAVES. Well, thank you. Mr. Chairman, let me note, I mean, this just gives me greater appreciation for our airmen and women to know that they are doing all they can with an average age of aircraft, you said, 47 years old today. And it would be likely 54 years old when we finally get there. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you.

General WELSH. Chairman, if I could just point out, that would be—now be, at that point in time, our seventh fleet of aircraft that would be over 50 years old.

Mr. GRAVES. Thank you, Chairman.

Mr. FRELINGHUYSEN. So noted with alarm.

AIR FORCE DEPOTS

Chairman Cole. Thank you.

Mr. COLE. Well, we are not all alarmed because a lot of those get maintained at Tinker Air Force Base, Mr. Chairman. So I think we do that pretty well, just in case that was overlooked.

But it actually does get to the question I wanted to ask. And I will be sort of shamelessly parochial here. But I will try and include other depots as well. As you know, Madam Secretary, better than any of us around this table, about 70 or 80 percent of the cost of any weapon system is maintaining it over its project life cycle. And we all know that we are maintaining a lot of systems a lot longer than we ever intended them to be maintained.

So, we run into problems, like my friend from Georgia referred to, where these things are very difficult. Almost have to be individualized in how you overhaul each particular plane, because we are way beyond what anybody thought about, you know, how you would maintain them. So, even getting parts sometimes is a huge problem.

So, how comfortable are you that you have got what you need in terms of both the three major depots that you have, and, obviously, we have a lot of private contractors involved in this kind of work, and are we directing enough money into those areas if, indeed, we are going to have to keep these planes flying longer than any of us would like to?

Ms. JAMES. Well, first, if I could begin by saying, I, of course, have been to our depots. Very, very proud of the work that is going on. Fantastic accomplishments for this very important area of sustainment. I would also tell you that we are continuing to invest in such things as tooling, and the various types of equipment that are required in the depots for both our new systems like the F-35,

the KC-46 that are coming on. But also, for our existing systems, the existing aircraft, the nuclear mission, et cetera, et cetera. So I think we are doing a pretty good job of investing in that sort of equipment.

Two concerns I would, you know, give you is that—and this is a concern across the board I mentioned at my opening statement: infrastructure, so keeping up the roads, keeping up the buildings. So for the depots, I am worried about infrastructure. But you know what? I am worried about that across the whole Air Force. So that is one thing.

And then civilian hiring is another thing. So the depots are, of course, largely civilian employees. And when you combine the effects of sequestration a few years ago and that set us behind in terms of the workload, the hiring, that got us all messed up. You have got Office of Personnel Management (OPM) rules, which are a constraining factor for us. Security clearances that are, you know, long to come through. All of this is a concern. So I would say civilian hiring and infrastructure would be the two concerns.

Mr. COLE. On that point, on the hiring point and the workforce point, you know, frank—during sequestration, a self-inflicted wound we all agree was a mistake, but when we had government shutdowns, we also made a pretty big mistake, because we were furloughing people that we paid through the Working Capital Fund at places like Tinker that didn't need to be furloughed. And so a lot of that extra work was built up.

So none of us ever want to be in that situation again. But if we are, I would—and I ask for a response on this, I would urge that you keep the workforces that you can working. Don't just send them home because some have to go home. Make sure—because it was a much more difficult problem getting up, having lost their capacity, then we are in an overtime situation, and it is more expensive at the other end.

So when you can keep people working, and those workforces, again, because of way in which they are paid, many of them can be kept there. I would hope we could do that if we are ever in this situation again.

Ms. JAMES. Thank you.

Mr. COLE. Do you have a comment that you would care to make?

Ms. JAMES. No. I think that all—

Mr. COLE. I could make an assurance.

Secretary JAMES. That all makes good sense to me.

Mr. COLE. Okay. Thank you very much. Thank you, Mr. Chairman.

RD-180

Mr. FRELINGHUYSEN. Just getting back to Congressman Calvert's question about the RD-180, if we don't have the capacity, we are dependent on these Russian engines, right? How else are we going to do whatever we need to do for the next couple of years without them?

Ms. JAMES. If we did not have them—

Mr. FRELINGHUYSEN. This is a national security issue here.

Ms. JAMES. Right. It is a national security issue. And if we did not have them at all, then we would rely on SpaceX to the extent

that we could. We would have to shift to the much more expensive Delta alternative and pay whatever the cost is that we would have to pay. So it is theoretically possible, but without RD-180s at all, it is a lot of new complexity. And I don't see how we would have the competition, perhaps, that we have all hoped for and envisioned, because there would be no way Delta would ever be competitive with SpaceX.

RUSSIAN AND CHINESE CAPABILITIES

Mr. FRELINGHUYSEN. I mentioned in my opening remarks about the capacities of the Russian Air Force and the Chinese. Certainly, there has been a lot of aggressive behavior. In some cases, we are deconflicting with them over Syria, and at times, they appear to have us, sort of, butt out. The Chinese have been doing some pretty remarkable things in the South China Seas. A lot of aspirations, a lot of their own capabilities. How are we matched against their, General Welsh, or, Madam Secretary, against some of their capacities?

General WELSH. Sir, right now capacity-wise, let's start with the Chinese, they have about 325,000 people in the People's Liberation Army/Air Force, which is a little bit—about the same size as we are, a little bit larger. But we have a couple thousand more aircraft today. The rate they are building, the models they are fielding, by 2030, they will have fielded—they will have made up that 2,000 aircraft gap. And they will be at least as big, if not bigger than our Air Force is in terms of aircraft. And they will have to go to the people with it to operate them, so they will be significantly larger in terms of people.

They also, during that timeframe, will field a number of new aircraft, a handful full of new—completely new variants, and will have modified three of their older variants in that same timeframe. And we are not keeping up with that kind of technology, development.

We are still in the position of we have—we will have the best technology in the battle space, especially if we can continue with our current big three modernization programs, the Long Range Strike Bomber (LRSB) and the F-35. But they will have a lot of technology that is better than the stuff we have had before. And so the—what the—and the Russians are doing the same thing in the nuclear business. Not so much in the conventional force, but they are demonstrating capabilities that they haven't demonstrated to us before, cruise missiles. Some of their new aircraft are dropping weapons for the first time in conflict. We are able to watch and see how this is working.

So they are a serious Air Force. And they are serious about getting better. And the Chinese, in particular, clearly have a blueprint that is matching against our shortfalls. And so I think that is something that we have to consider as we look to the future. Not modernizing our Air Force is not an answer that is acceptable.

Mr. FRELINGHUYSEN. Sometimes it is a sensitive subject, but there is an issue of rules of engagement. We had the Navy in here the other day, and we discussed the history of free passage and free navigation. You know, we look at things that the Chinese are requiring of us today. How do you deal with that issue? I don't

think it is just anecdotal. There are challenges that our airmen are facing that sometimes we don't hear about.

What are the rules of engagement? And how would you characterize some of the instances we have read about, in terms of the Chinese, shall we say, confronting our aircraft? The Russians, I assume, in other parts of the world have been going across the East Coast and at times obviously doing a variety of surveillance. How are we matching that?

General WELSH. Sir, the—I am assuming you are talking about the intercepts of aircraft that are——

Mr. FRELINGHUYSEN. Yes, I am.

General WELSH [continuing]. Being conducted.

There have been incidents where we thought the intercept and the contact of the pilot after the intercept was not acceptable. It was certainly not within the bounds of normal behavior. But there have not been that many of them, relatively speaking. And when there is one, it is highlighted. We actually do communicate with both the Russians and the Chinese and point out to them the behavior. And the behavior tends to adjust. For example, in the East China Sea, we had an issue with aircraft from a particular unit that were intercepting some of our ISR platforms that were behaving aggressively. And after a demarche following that, that behavior changed.

So it is not—when you read about it, it is really an isolated incident, in my view, compared to the majority of intercepts which are relatively professionally accomplished. And that is true both with China and Russia. We also intercept their platforms when they fly either around Europe or they fly around the coast of the United States. And we have the same protocols. We——

Mr. FRELINGHUYSEN. What about the issue of denial of airspace?

General WELSH. Well——

Mr. FRELINGHUYSEN. We read from time to time of symbolic flights. But in reality, have we conceded anything?

General WELSH. No, sir. In the South China Sea, for example, as the commander of the U.S. Pacific Command repeatedly states, we have not changed our patterns, we have freedom of navigation in that area. We still do overflight of that area. We have made it very clear that that is not a Chinese restricted zone of any type, either on the sea or in the air.

JOINT STRIKE FIGHTER

Mr. FRELINGHUYSEN. Joint strike fighter, the ALIS system, can we talk a little bit about some of the issues that you have been focusing on to get that system right and tell us why it is so important?

General WELSH. The two big issues that I believe exist between now and initial operational capability this fall, our window is August to December to clear that, and I am pretty confident we are going to get there from here. The two issues have been development of the automated logistics information system. It has been a complicated process. It has been difficult journey that the companies and the services have been on trying to get this to where it needs to be for the future.

But I am actually relatively confident we will get there for what we need to have at IOC. The biggest issue right now is getting engine data incorporated into Autonomic Logistics Information System (ALIS) because it comes from a different contractor. And the companies have been working together trying to make this happen. And I am expecting to have that data integrated in July. And that will give us a month or so to look at how it operates, make sure it is working properly before we enter our IOC window.

The other issue that—Lockheed Martin, in particular, and their subcontractors are paying an awful lot of attention to is a software problem, and it has to do with radar stability. It is software stability, but it is really radar stability. And they have been working this extremely hard. They now have their software integration labs on 24/7, 7-day-a-week operations doing multiple quick iterations of software changes.

They are fielding a recommended change to the software they think will field this problem. They have done it in the labs in February. They are putting it into platforms in March. And we hope we will be able to put it in the airplanes shortly thereafter to make sure that it is working. So those are the two big things, sir. But I think we will get there.

Mr. FRELINGHUYSEN. There has been some loose talk, and I think it is hopefully on the loose, that somehow people—some might bypass this new system of systems here. And that is something I don't think would be advisable.

General WELSH. As far as bypassing the F-35?

Mr. FRELINGHUYSEN. No, not the F-35, but trying to get around the—what you tell me is going to be a good news story at some point time.

General WELSH. Oh, yes, sir. No. We cannot get around—

Mr. FRELINGHUYSEN. We can't do that.

General WELSH. We got to run forehead first right through the middle of it. Yeah. This has got to work, the airplane's got to do what we were told it would do, and what the requirements demand that it does, clearly. And that is where we are going.

Mr. FRELINGHUYSEN. Further questions, members?

Yes, Mr. Visclosky. Excuse me.

U.S. SPACE STRATEGY

Mr. VISCLOSKY. Thank you, Mr. Chairman. We have had a number of questions today and comments about space. What I would like to do is talk about space strategy. Because we have talked about launch, we have talked about defense. NRO uses space; NASA uses space; CIA uses space; Department of Defense uses space. Who is the principal contact in point to organize the United States of America Government's space strategy?

Ms. JAMES. Well, I will begin. And, Chief, please do jump in. So I will say there is the Principal Defense Space Advisor, and that would be me. And I am the principal one when it comes to looking across budgets and organizational constructs, and at least being a single voice to be able to advise our top leaders.

And then there is strategic command, which is the operational warfighters. So this would be Admiral Haney. And under him, General Hyten would be the Air Force space component of space com-

mand. So these are the warfighters who are focusing on changing the culture, who are focused on the—what we call the Joint Space Operations Center (JCSpOC) which, for the first time, we are going to be sitting aside—but we are sitting now side by side with the National Reconnaissance Office (NRO), which are our top space partners, I will say, figuring out ways that if things should go poorly on Earth, how do we defend the constellation, how do we war game that out and so on.

So that is kind of from the warfighters' perspective. I would say Admiral Haney is at the top of that, and then of course, there is our General Hyten as the Air Force component commander.

Mr. VISCLOSKY. How does that work between you and General Haney, and who makes the ultimate decision? I assume there is some consensus as it develops, plus the world changes every day. Is it essentially your office and STRATCOM that coordinate all these agencies that have an interest in space?

Ms. JAMES. So we work very closely together. And of course, I do not do anything without General Welsh as well. And ultimately, we are making our recommendations up to the Deputy, the Secretary of Defense, and even to the President. So that is the high level attention that space receives these days. But we work very closely together, and there have not been, you know, disputes about, you know, him thinking one thing and me thinking another thing. We work very, very closely together.

Mr. VISCLOSKY. Does STRATCOM have a larger role to play? Is it about right? Because you have, again, civilian agencies that are involved here as well as military, intelligence. I just want to make sure there is kind of that central point of contact.

General WELSH. Sir, I would look at it as the resource and policy decisions are led by—in the Department of Defense are led by the Defense Space Council and the Secretary, to include resource decisions that are made. And it is done in coordination with the NRO, the intelligence community, and with U.S. Strategic Command as an observer. Their intent is to meet the requirements of U.S. Strategic Command along with the requirements of those other organizations. For operational strategy in space, U.S. Strategic Command has the lead for the Department of Defense, and they do coordinate with NRO, with the intelligence community, and even with industry as partners who operate satellites in that domain.

The big change has got to be, going forward, a more integrated approach to everything they do in that domain, because everything is going to have to be more resilient, not just military hardware in space. Commercial hardware also is going to have to be more resilient, because it is also at risk from anything from debris to Anti-Satellite Weapons (ASATs).

And so one of the great things about General John Hyten is that he has a great big vision for space operations and integration. And he is really helping us kind of organize around this idea that it has got to be much more cooperative, but it has to look at this domain as a contested domain, and potentially a warfighting domain. And that changes the level of cooperation we have to do on the operational concepts.

Mr. VISCLOSKY. As far as integration, are there any budgetary issues you face in 2017 that retard that?

Ms. JAMES. We think we are adequately funded in fiscal year 2017. So this goes to some of the additional investments that we have been making over time.

NUCLEAR MODERNIZATION

Mr. VISCLOSKY. Okay. If I could ask about resources in another way. On the nuclear modernization plan, as I understand it, the request for 2017 is \$6.5 billion, which is about 195 percent more than the 2016 budget. And I understand all that request is in the base, not OCO. Given—and, again there has been conversations today about the unpredictability going forward. Do you have a level of confidence that that modernization program and those significant new dollars that are needed are going to be there? And where do they come from assuming the shadows of the future remain unaltered here for a couple of years?

Ms. JAMES. Well, there is no question that we, and I believe the other services, face a bow wave beyond our 5-year defense plan. So we all have an imperative to be ready, to have the right number of people, and to be modern. And somehow, under sequestration projections, in particular, it is not all going to add up. So there is going to have to be a—decisions made as a United States of America, what kind of a military do we want to have? And if we want to be able to live with that lesser dollar figure, then there is going to have to be decisions on what has to be given up. I think we need it all. I think we need these nuclear modernization programs, as well as the other modernization programs, as well as the people and the readiness.

So I don't have a good suggestion for you on how—what to cut because I think we need it all. And I hope that a future debate of the country would agree, given the threats that the chairman and you and others have talked about around the world.

Mr. VISCLOSKY. Thank you very much. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Judge Carter.

CYBER CAPABILITIES

Mr. CARTER. Thank you, Mr. Chairman. Cyber plays a critical role in all aspects of national security. As the main service component for cyber funding, your budget reflects shortfalls in cyber networks and the defense information systems network. In recent months, it has become evident that both China and Russia have shown the willingness to use their offensive cyber capabilities.

Secretary James, we all understand the services are taking risks due to the current budgetary environment. But how can we justify taking risk to the area that affects every aspect of our national defense?

Ms. JAMES. Well, I want to begin by explaining that we do have about \$4 billion in our budget for the totality of cyber. And so that includes the IT backbone. It includes our defense. And it also includes efforts to use cyber as a substitute for kinetic operations. So those are the three main components.

We have been trying over time to focus more on the defense and on the substituting cyber for kinetic piece of the equation. And so that is where some of the risk has come into play for the IT back-

bone. With that said, our Under Secretary of the Air Force is leading an effort right now to look at ways that we can maybe leverage the private sector differently to plug in more on the IT backbone to allow us to continue to shift the focus to defense and to the substitution on the kinetics part of it. I also want to say that we have been, I think, leaders in the Department of Defense on another element known as the joint information environment, the joint information network. And that also will mitigate our future cyber risks.

Mr. CARTER. So you can sleep well at night on the—under that theory?

Ms. JAMES. I never sleep well at night, Congressman.

Mr. FRELINGHUYSEN. We need to talk more often.

Ms. JAMES. Yes, thank you.

Mr. CARTER. Thank you, Mr. Chairman.

General WELSH. Sir, if I could add one thing. The boss mentioned \$4 billion in 2017. We have \$20 billion across the FYDP going into this pot. And we have also started a task force called Task Force Cyber Secure under the boss' direction run by her Chief Information Officer (CIO). And the intent of that task force is to identify the right places to target spending before we spend more. And so I think we are actually in a pretty good place on this. We have a lot of resources going into it. And we are trying not to throw money at the wrong thing before we know exactly what the right thing is.

Mr. CARTER. Okay. Thank you.

Mr. FRELINGHUYSEN. Thank you.

Ms. McCollum.

SATELLITE COMMUNICATIONS

Ms. MCCOLLUM. Thank you, Mr. Chair. And I, too, would like to reflect the sentiments of this committee of thanking you, Secretary James, not only for the outreach that your professional staff has had with our office, but your personal outreach to me as well. And, General Welsh, thank you for your service. But having been in a family that was very much attached to the Air Force, to your wife, I know all the work that my mother put in to making sure that our family was whole and functioned so that my father could be function—you know, working on his job.

I hope I have two questions that might free up some funding that you can put towards writing us some other programs. So, Secretary James, I would like to call your attention to a memo that was written last July by the commander of the Air Force Space Command, General John Hyten, entitled "Commanders Intent for Ongoing Material Decisions." And the memo states that the Air Force should begin outsourcing some of the on-orbit, operation, and maintenance of its wideband global SATCOM communication satellites to commercial operators. And the intent would be to free up, then, more uniformed Air Force personnel currently devoted to these infrastructure, maintenance, and utilization. And they could put them towards other purposes. And it would also help lower costs in the Air Force.

So I would like you to respond to, you know, the global, you know, system and what we could do to help the Air Force with discussions on industry and possibly commercializing more of this system?

And then the second question I have, Secretary James and General Welsh, has to do again with BRAC. Because there is—the Department of Defense, you have proposed a new round of base realignments and closures in 2019, believing as much as 25 percent of the infrastructure might be in surplus. 25 percent is a quarter of surplus infrastructure. So what is your assessment of the extent of excess facilities in the Air Force? And could you describe to what extent these surplus facilities burden the Air Force, and actually hold you down doing the job you want to do in a cost-effective manner to stand ready to protect the United States?

Ms. JAMES. So first on the issue of can we use the commercial companies more in our satellite communications realm, I think the answer is absolutely. And we are trying to move in that direction. I think our future will never be completely commercial. I think it will be a mix. But I think over time, we absolutely ought to and can get to more commercial participation in that.

And indeed, right now, we are running several path finders. Think of those as pilot programs where we are working with industry on some creative new efforts that could lead us down that path, such as trading hardware use for bandwidth elsewhere in our constellation.

So we are working on this. And I think the future with commercial could help us save money. It could provide more flexibility. It could also give us more resiliency in our constellation. So I think there is a lot of potential there.

Then when it comes to a BRAC, we very much need another round of base closures and realignment. I think our estimate at this point, because it is not a full-up analysis, but it is our best estimate, is more like 30 percent excess capacity—30 percent excess capacity. And the impact of not having a base closure means we are having to maintain more structure than we think we need. And you heard me say I am worried about infrastructure across the Air Force. We have an ever-shrinking pot of money for infrastructure improvement, and we are spreading it out way, way thin. And if we could reduce that overall footprint of infrastructure, we would have more money to keep up and improve the facilities that we really need going forward. So we very much do need a base closure going forward.

Ms. MCCOLLUM. Thank you.

Mr. FRELINGHUYSEN. Thank you.

Mr. Aderholt.

SPACE LAUNCH

Mr. ADERHOLT. Thank you, Mr. Chairman. Sorry for being a little late. But I am glad I could be here for the hearing this morning. Thank you for being here, and we appreciate your testimony.

I wanted to ask you a little bit about the Delta 5 and Falcon 9. I understand there is talk—there is some discussion about the retiring of the current Atlas 5 rocket and using only the Falcon 9, the Delta medium and the Delta heavy. The current Atlas 5 launches 75 percent or more of our national security payloads and serves the NASA commercial crew program. Meanwhile, Air Force is evaluating a new version of the Falcon 9. It seems prudent to keep the AR1 engine on track for its promised production delivery

date of late 2019 by not diluting the funding for it. The Mitchell Commission and other experts, they talk about the re-engine rocket as—discussed about the fact that being unusable. And in recent decades, re-engine rockets performed well.

Even the current Atlas V is re-engined—is a re-engined rocket, and Orbital ATK is re-engineering the Antares rocket with a Russian RD-181. We need to see the first flight and the certificates for the new Falcon 9, the heavy—the Falcon heavy and the upscale BE4 engine and the Vulcan rocket.

The question being are you willing to make it a priority for the EEOV funding to keep that funding there to keep AR1 on track, so that if we need it for the current Atlas V, we will have it ready for the testing in 2020?

Ms. JAMES. So we recently, like a couple of days ago, completed the final two awards out of four to invest in rocket propulsion systems. So one of those awards was to Aerojet Rocketdyne. And, indeed, they did get the most money of any of the other awardees. So more money, I am sure, would be welcomed by the company. But in a full and open competition environment, and, remember, that is what the law told us to do, was to invest in rocket propulsion systems in a full and open way, Aerojet Rocketdyne did get a pretty good award just a few days ago. So we believe, as the government, that we are on track to develop an engine replacement for the Russian engine by 2019. But I caveat, that is ambitious. The technical experts say it is very ambitious. But we are pulling out the stops to do it, as are the various companies who are participating.

Beyond 2019 and the development of that engine, assuming all goes well, we still need to integrate it into a rocket, and it must be certified. And only until those three things are complete will it take us to space. So an engine alone, of course, will not take us to space. We need the total capability, and we think that will be a bit beyond 2019.

Mr. ADERHOLT. As you—as the Air Force is the answer of access to space, the primary customer of ULA and the major customer of SpaceX, the Air Force has every right to conduct an independent study of the timeline of AR1, BE4, and any proposed SpaceX future certifications such as that of the Falcon heavy, I think it is imperative that you conduct an independent study and review—and your review include all the development of the risk factors known to the industry. And my question to you would be, would you be willing to do that?

Ms. JAMES. Well, as far as I know, but please allow me to go back and double-check, we are sort of very much integrated and watching very closely the development in terms of how these projects are going. Now, the prime, in this case, United Launch Alliance (ULA), that is the manufacturer, obviously, who has got to select an engine to go forward—you know, there are two possibilities. They consider the BE4 to be the front runner with the AR1 to be the backup. That is their decision, based on where they believe they are in the timelines. And we have people who are watching this very closely as well. So I believe we are already fulfilling that intent. But please allow me to go back and double-check that.

Mr. ADERHOLT. Okay. If you could get back with us on that, I would appreciate it.

Okay. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Ruppertsberger.

SPACE LAUNCH LOCATIONS

Mr. RUPPERSBERGER. Yes. You know, I think it is very positive that a lot of the questions here today are about space. Most people—most of the public don't really have a clue about what space is about. In the old days, when we went to the moon, everybody knew space and who the astronauts were. So it is something that affects us every day, and it costs a lot of money. So the more that we can keep focused, the better.

I think the issue of launch and ULA, probably ULA is the best, but the costs got out of control, and also the scheduling. And so that is why there is language in there now to deal with the issue of competition. If you look at the American way, the competition makes the difference. But on the other hand, and I think, you know, Robert raised that, and, you know, we have to make sure that we have competition, that we still have the best. And just, you know, we can't afford to fail with the money and all the things that are involved.

The one area that I would like to get into that I am a little concerned about, again, getting back into the space, is the need to ensure access to space with specific launch locations. And what I mean by that, we are currently relying on Kennedy Space Center and Vandenberg Air Force Base launches in order to reach equatorial or polar orbits. Now, this reliance on these two locations marks them as single points of launch failure for these type of launches we have been talking about. And should there be a natural disaster, mechanical failure, or an attack on these facilities, the ES would not be able to put space assets into orbits.

My question is, should we be developing, Secretary, launch sites like Wallops Island or Kodiak, Alaska to ensure access to space?

Ms. JAMES. I am afraid I do not have a good answer for that one, and I will have to come back here for record, if I might.

Mr. RUPPERSBERGER. Well, that is why I raised the issue, because it is out there, but—

General WELSH. I will give you an opinion on this. And I think General Hyten would probably share this. As we look at this space enterprise and how we do it differently in the future, as we look more at disaggregation, micro satellites, cube satellites, small satellites, things that do not have to go from a large launch complex all the time, I think proliferating launch complexes is probably going to be a natural outshoot of this. I think it is commercially viable. It may be a way for companies to get into the launch businesses who could not afford to get into it, or don't see a future in it for large national security space launches.

But I think this has got to be part of the strategy that this whole national team puts together as we look to the future. This is the kind of thing John Hyten is talking about. How do we change the game for the long term?

Mr. RUPPERSBERGER. The other thing, you talk about competition, and you have SpaceX now and ULA, that is it. And SpaceX is in a limited area as far as your certification. Is that correct?

Ms. JAMES. SpaceX is currently certified for four of the eight launches.

Mr. RUPPERSBERGER. Four of the eight. Okay. Now, how are you doing with the other companies out there that have the possible capability as far as bringing them aboard?

Ms. JAMES. There is one other company at the moment which has submitted a statement of interest to get certified. So that is a possible third. And so we continue to monitor and work with companies as they wish to possibly enter this market.

Mr. RUPPERSBERGER. Is there an incentive for money—money-wise for those companies to move forward? Or do you think we are just going to be here with these two now?

Ms. JAMES. Well, the incentive that the companies tend to look at is they look at the totality of the market of which, you know, our piece, the national security launches, is a piece of that market. But there is another market worldwide. And, so, that is what they tend to look at. They look at the totality of it. And as I said, we have two now that are certainly active participants.

I mentioned earlier I believe in the competition too. And that is what the law says to do. But I worry that if you don't have two that truly are competitive from a cost-competitive standpoint, you are not going to have much of a competition.

Mr. RUPPERSBERGER. My final point is that I think one of the major issues with ULA, and we know the history why Boeing and Lockheed came together, we needed that as a country. However, I have been very concerned. I have been to the leadership in Alabama on numerous occasions. But the issue of the scheduling where I have seen programs that were very effective, now they are up—it is classified. I can't talk about them—that had to wait a year and a half for launch. I hope you are working with ULA or if SpaceX on the issue of scheduling. Our scheduling seems to be antiquated, and it seems that we might be able to do that better and quicker.

Ms. JAMES. Okay. Thank you.

Mr. RUPPERSBERGER. Any comments on that?

Ms. JAMES. As far as I understood it, it was mostly on the government to determine when these things would launch. And, of course, the government does it partly based on need and it is partly budgeting. There is a variety of factors. I wasn't aware that the companies were a reason for the holdup. But—

Mr. RUPPERSBERGER. It is a system if you look at others versus other countries too. But I would hope you would look at that.

OVERSEAS CONTINGENCY OPERATIONS FUNDING

Mr. FRELINGHUYSEN. Thank you.

The Air Force and other services have some immediate needs. They are often reflected in the OCO account, what we used to call the directed funding for the war on terror. You have some money in there, I think over \$400 million, to procure some additional Reapers. What else do you have in there and why are those types of investments important? I know there have been some issues rel-

ative to losses. I assume there is some reasons we have had these losses. What else is in there? Because we have a fight on our hands right now. We can look towards the Russians' and Chinese' long-range capabilities. So what are we doing, should we say, on the fight against ISIS and Al Qaeda and other groups, the capabilities there?

General WELSH. One of the notable things that we—you have actually helped us with immensely, but we can always use more help in this arena is buying munitions. You know, we have authority this year now to buy munitions on a forecast usage rate instead of dropping a bomb and then waiting three budget cycles before we actually get it replaced.

Now, what we have been doing for the last 15 years is raiding our operational stocks to support major war plans in order to do the current day-to-day business with the weapons that we are expending in the Middle East. This ability to forecast expenditure for the next year and then put Overseas Contingency Operations (OCO) money against buying against it before we drop the bombs is helping stabilize that. But it is not replacing the stockpiles. The stockpiles are still down. We need to think about that. It is a serious problem. And we are at a point where we have to have some kind of money other than OCO to get at it because—

Mr. FRELINGHUYSEN. Because we don't really focus on munitions, I mean, really.

General WELSH. No, sir. And we have got to go to the companies and say: You need to be able to increase your production capacity in some cases, if we really want to refresh the stockpiles. To do that it can't be OCO money. It has got to be money that has a tail on it. So anything we could do in that regard to free up money to use for munitions is going to be helpful for us every year.

INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE

Mr. FRELINGHUYSEN. I shared with you yesterday when your were kind enough to pay a courtesy call with me and with Peter, Ranking Member Visclosky, that you were complimentary of our investment, and you were this morning of—on ISR. And I have to say, as I said General Breedlove has brought—you know, he has—the amount of ISR that is out there, not only relative to his command, Central and South America, Africa, these are areas that have immediate needs, I assume, right?

General WELSH. Chairman, they do. I would just add one caution. I mentioned it before. The way we got after the ISR shortfall starting in 2008, is we just got—we were told buy as much as you can. Field it as fast as you can. That led to the problem we have in the Remotely Piloted Aircraft (RPA) enterprise today because we didn't keep up with the people. We bought the equipment and we kind of created the people as we went and took it from other places. If we want to increase the numbers in the RPA enterprise, or the ISR enterprise, we have got to look to the future, plan on having money ahead of time, and build a plan that we can actually execute and have the people to actually implement and run the system. That may require a plus-up on a top line of manpower for the Air Force. But we need to be able to look at it to plan ahead of time and show it to you. Otherwise, we are going to be in this

thrash we have been in for the last 8 or 9 years in the ISR arena forever.

Mr. FRELINGHUYSEN. And what are you doing to assure everybody has a piece of the cyber, you know, advocacy? What are we doing to make sure that we are working jointly?

General WELSH. Sir, every—

Mr. FRELINGHUYSEN. So those resources are not—we can have an accounting for them.

General WELSH. Sir, the boss mentioned the joint information environment. That is a joint single network for the Department intended to bring all of our services and OSD together on a single network for everybody from the warfighters to the folks back in the Pentagon. That is a multiservice contribution. Everybody is contributing both money, manpower, planning, and resources to make this thing happen. We are in—right in the—you know, right with the rest of the pack running as fast as we can to make that a reality. That will force us into joint—in the information architecture arena. Now that is step one. We have some regional security stacks that go with that which are the way the warfighters actually connect into and out of this system. Those are also joint. They are being executed in the major commands, and they will be done with air components included in the discussion with everybody else.

So this is now a joint discussion. All the information systems we have from the Distributed Common Ground System (DCGS) that moves our intel data around are all connected to everybody now. And so we have just got to make sure that we keep moving in that direction. And I think we are clearly on that path.

Mr. FRELINGHUYSEN. We like the connections. We hope all those links are well protected and hardened.

Mr. Visclosky.

NUCLEAR MODERNIZATION

Mr. VISCLOSKY. Thank you, Mr. Chairman.

If I could get back to the nuclear modernization program, you have a long-range standoff weapon under development not without controversy. But the point of the question is more that there are parallel efforts going on, both with the Department of Defense as well as NNSA. It is estimated that on the standoff weapon, the estimated costs go up to \$30 billion for 1,000 weapons, there being an additional eight to 10 at NNSA. When we talk about modernization, ICBMs come up, B61s come up, the long-range standoff bomber comes up, the long-range weapons comes up. Given, one, the strategy of our Nation, and then, obviously, we have a fiscal year impact on that strategy, how is that prioritization made? Is there a prioritization within these programs as far as modernization program?

Ms. JAMES. I would begin, Mr. Visclosky, by pointing out that these are not really new programs and new capabilities, I should say. These are capabilities that we have had. And, of course, now, we are focusing on modernizing them in order to continue to deter adversaries and assure our allies.

And the other point I wanted to make is that both of these, of course, relate to validated requirements that come from STRATCOM through the joint staff, and eventually come to the

services, in this case, the Air Force, to fulfill. In the case of the Long-Range Standoff missile (LRSO), that is the follow-on missile to replace the aging nuclear Air Launched Cruise Missile, and it is designed to be the nuclear standoff capability with improved capability. And then the B61/12, similarly, is the follow-on program to replace several legacy versions of the B61 weapon which are in need of modernization.

MUNITIONS

Mr. VISCLOSKY. General, on an unclassified level, how would you characterize the health of your munitions inventory?

General WELSH. On the conventional side or the nuclear side, sir?

Mr. VISCLOSKY. Conventional.

General WELSH. On the conventional side, the inventory is fantastic. The weapons are great and they are getting better and better. The problem is capacity, is volume. We have depleted our stocks over time with the fight we have been in for the last 15 years. We have not been able to replenish them. We just did not have as much money as we would like to have to put into munitions. We have been sharing a lot of them with allies in this effort, many of whom use precision weapons now along with us but don't produce their own.

And so we just have stockpiles that have been depleted and we need to replenish them if we want to really have war plans that we can actually go execute quickly in the event of some kind of major contingency. And that is where any help we can get on the munitions side for funding is very, very helpful.

Mr. VISCLOSKY. And is that reflected in the 2017 request to an extent?

General WELSH. Yes, sir. We have increased the request for munitions funding in 2017. We got help last year and to include use of OCO funding to help to use in a different way. Now acquiring munitions on forecast, as I mentioned before, but we have—we still need to keep at this every year. This is one that is not going to go away in the short term because we really depleted the stocks.

NUCLEAR FORCE PERSONNEL

Mr. VISCLOSKY. One final question if I could, Mr. Chairman, on the nuclear force there have been problems in the past as far as morale, esprit de corps, issues have come up. And my sense under your watch is significant steps have been taken and improvements have occurred under both of you, I really should say. Would you just want to comment on that as where you think you are in that process? And, again, from budgetary standpoint, is there anything you would be lacking in 2017 to continue to push as far as that sense of, you know, everybody has a very important responsibility here. And I do believe you have both made very good progress here.

Ms. JAMES. Well, we have worked very hard on it. We have shifted dollars. We have shifted manpower. We have redone over time the way we train our nuclear forces. We are providing more professional development opportunities for the people who are engaged in this important mission. There is new financial incentives. So we really have focused a lot of attention on people, readiness, and

modernization of the force. And I think it is very important that we keep the momentum going, that we keep double-checking and seeing how we are doing. But I agree. I think we have made progress, very good progress.

Mr. VISCLOSKEY. Yeah. Very good. Thank you both. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Mr. Aderholt.

DATA RIGHTS

Mr. ADERHOLT. Yeah, just got one quick question. Of course, as you know, NASA invests a lot of—billions of dollars in hardware development for commercial space crew and cargo and resupply. But the only intellectual property rights that we receive in the NASA commercial program is the right to buy the data rights to those items for the second time if the company goes out of business. Question being, what is the Air Force doing to ensure a better deal than we currently have? And more particularly, what are you doing to ensure that the U.S. Government maintains enough intellectual property production rights, should the service providers fail to perform adequately within respect to be the cost, schedule or future behavior?

Ms. JAMES. So if I may come back to you with a complete answer, but give you the best answer I can give you right now, one of the reasons why when we had in front of us the last NDAA, which said invest in rocket propulsions systems, do it by 2019, full and open competition, one of the reasons why we chose the OTA, other transaction authority approach, was because we could tailor it, it was flexible enough that we could work with different companies who have different pathways that they are looking to build to get us to space, and give us some access to data, like intellectual property data. It does not mean we own it, but it gives us access to that data such that we can convince ourselves that this will, in fact, be ultimately a reliable pathway for us.

So because we do launch as a service, we do not own the components, that is why we do not have the direct intellectual property. But the key is to get access to the data, and that is one of the reasons why we selected this OTA approach. So that is the beginning, but if I may come back to you with a more complete—

Mr. ADERHOLT. Okay. Well just, you know, I think the bottom line is trying to find a better—to make sure the taxpayers' dollar is protected. And I think that is the bottom line. So if you could follow up with me on that I would be appreciative.

GPS OCX

Mr. FRELINGHUYSEN. I would like to close on a positive note, but the initials OCX, where do we stand? We have made substantial investments there. Maybe you want to call on Betty to—

General WELSH. This is where I drop my pen.

Ms. JAMES. I think we need Betty's opinion on this one. Yeah. OCX is still a very big challenge for our Air Force. It is a very important capability. This is the ground stations for our GPS, and it still is very much a troubled program. We were faced not long on—when I say “we,” I mean we, the Air Force, and we, OSD, with some serious questions to answer, how are we going to go forward?

Were we going to go forward at all? What if we cancelled? What if we did this? What if we did that?

At the end of the day, we said we have got to have this capability, and we are going to have to keep with this approach a bit longer. But between Frank Kendall and me and our teams, we are going to provide, like, a lot more oversight. We are going to have going forward more off ramps for the contractors. So that is to say, if you don't get this done by time certain, that is an off ramp. And you may face cancellation even. So there is going to be a lot more of that going on because it is a capability that we really need for the future. But it is a troubled program.

Mr. FRELINGHUYSEN. Well, people are more than likely, if anything, to step up there, their jamming and their—you know, their cyber attacks. And this is something which is pretty critical to all of us.

Anything further?

I want to thank you, Madam Secretary, for being here. General Welsh. And appreciate everybody's testimony. And I think we will have some questions for the record. And we would like to have those in due course. Again, good hearing. Thank you very much. And Godspeed to you. Thank you. Stand adjourned.

[CLERK'S NOTE.—Questions submitted by Mr. Cole and the answers thereto follows:]

CORE WORKLOAD

Question. Congress has long mandated that a minimum of fifty percent of all depot maintenance dollars be spent in organic depots on workload performed by government employed federal employees in order to maintain command and control of at least half to a majority of all of our depot-level work necessary for military readiness.

What percentage of depot maintenance for FY16 will be conducted in organic depots by civilian federal employees and what percentage do you plan for FY17 to be conducted in organic depots by civilian federal employees?

Answer. We estimate the organic depots will perform approximately 55% of the workload with federal employees with another 1.3% performed at the depots under a 10 U.S. § 2474 partnership.

Question. The core law mandates that all new weapons systems that will be used for the war fight will be integrated into the organic depots within 4 years of the introduction of the initial operating unit.

What, if any, systems within the Air Force, whether programs of record or simply new systems, will fail to meet this threshold? What is the most common reason systems fail to be fully integrated within the depots within 4 years of FOU status?

Answer. There are a small number of systems that are behind in activating organic depots for a variety of reasons. Some of the most common reasons are: the lack of expected demand to warrant activating an organic repair line; funding shortfalls due to the combination of fiscal constraints coupled with higher priority mission requirements taking precedent over depot activation; and special access programs that is excluded from core requirements. Despite these challenges, the Program Managers continue to work depot activation of core workload. To assist program offices, the Air Force is developing tools and policy to establish sustainment strategies early in the acquisition life cycle to promote timely depot activations.

Question. Under Performance Based Logistics (PBL) arrangements, how do you ensure that the government has complete command and control over all core workload of that system so that the government decides which workload is performed in the organic depots by federal employees at the appropriate levels? For example, with engine work, if a contractor is required to provide a certain rate of workload to the depot for repair and fails to provide that workload, what are the ramifications to the contractor? How does the depot ensure that core workload is provided, especially if it is available and simply has been diverted or assigned to a private contractor's privately held facility?

Answer. The Air Force performs a core workload determination for all war-tasked systems to calculate the level of direct labor hours required to be performed at organic depots by federal employees. Core determinations are broken down to sub-systems, components, and software levels. Once the core requirement is set, it is the responsibility of the Program Manager and Product Support Manager to ensure the Performance Based Logistics provider allocates and activates workload to the organic repair facility as prescribed by the core workload determination. If an organic depot is not performing in the year of execution, then the Program Manager will work with the using command, Air Force Materiel Command leadership and the depots to resolve the issue. Sub-components below the assigned core component level may be outsourced for a variety of reasons, such as capacity, skills, etc., as long as the required labor hours for the overall sub-system and component are met.

Question. Recognizing the key role of the depots and the risk of over-reliance on contractors, current law requires DOD to maintain a core maintenance capability—a government-owned and -operated combination of personnel, facilities, equipment, processes, and technology that is needed to meet contingency and other emergency requirements. The Biennial Core Report by GAO is expected later this year (2016).

Does the Air Force believe there has been sufficient information and metrics to more closely gauge and report an accurate “estimated cost of sustaining workloads” for the Air Force?

Answer. The core report, in conjunction with the 5050 report, provides an accurate cost of sustaining workloads. Reporting and managing depot capabilities and workloads utilizing the Department of Defense (DoD) guidance in implementing 10 USC 2464 (Core) and 10 USC 2466 (50/50) are adequate to provide the management information and metrics to gauge and report cost of sustaining workloads. The current DoD guidance provides the best use of taxpayer funds while ensuring the needs of the warfighter are met. Used together these reports do provide an accurate portrayal of the cost of sustaining workloads.

Question. There is broad based support for transparent and streamlined acquisition process.

What recommendations do you propose to protect or promote the organic industrial base as we pursue acquisition reform?

Answer. The key to protect and promote the organic industrial base is to maintain core and 50/50 statutes while also placing more emphasis and oversight on sustainment in the requirements and development phases of acquisition. Adding sustainability to how we assess program success, along with cost, schedule, and performance criteria, will better protect the organic industrial base. The Air Force is looking at how to assess sustainment considerations with measurable criteria early in the acquisition process. Adding sustainability on an equal basis as cost, schedule and performance will protect critical organic national industrial base capabilities.

Question. What considerations are important for review of data rights and intellectual property as well as the definition of commercial item?

Answer. As required by U.S. Code 2377, the Air Force procures commercial items to the maximum extent practicable and provides offerors the opportunity to compete in any procurement to fill such requirements.

When procuring data rights for commercial items, the Air Force generally obtains what is available in the commercial market so long as doing so meets the Air Force's needs. When determining those needs, the Air Force considers several possibilities as outlined in Chapter 4 of the Defense Acquisition Guidebook, including:

- Whether the Air Force will have the information necessary to understand and evaluate a system's design throughout the life cycle.
- Whether the information obtained will provide the Air Force with the ability to operate and sustain weapon systems under a variety of changing technical, operational, and programmatic environments.
- Whether the Air Force will be able to re-compete item acquisition, upgrades, and sustainment activities in the interest of achieving cost savings. Oftentimes, the lack of product data and/or data rights makes it difficult or impossible to award contracts to anyone other than the original manufacturer, thereby taking away much or all of the Government's ability to reduce total ownership costs through competition.

When evaluating its needs for data, the Air Force also considers not only the immediate, short-term costs of acquiring the needed technical data and data rights, but also the long-term cost savings resulting from being able to compete production and logistics support activities and reduce total ownership costs over the life cycle. In addition, the Air Force budgets for and funds the maintenance and upkeep of product data throughout the life cycle.

Question. What steps have been taken to ensure that the Air Force CITES have been adequately consulted individually during the study on data rights and intellectual property mandated by acquisition reform efforts last year?

Answer. The Office of the Undersecretary of Defense for Acquisition, Technology, and Logistics (OUSD(AT&L)) is currently organizing the required government-industry advisory panel which will conduct the required study of data rights and intellectual property. The Air Force will have representation on this panel. OUSD(AT&L) expects the panel will meet approximately six times between April and September 2016. During these meetings, the Air Force will work with the government-industry advisory panel, emphasizing the importance of consulting the designated CITES and developing a plan to do so.

Question. As defense budgets have declined, there has been a much needed focus on the acquisition of new weapons systems to modernize the Armed Forces. However, little attention has been given to the inescapable fact that sustainment is 70–80% of the total lifecycle cost of a weapon system. This is confounding when considering today's budget and what that dollar amount may mean during the lifetime of the JSF program, for example.

In the Fiscal Year 2017 budget, how do you as decision makers adequately balance new procurement programs and adequately keep pace with modernization demands and critical maintenance requirements that continue to be squeezed?

Answer. During periods of fiscal uncertainty, it is particularly difficult to balance the demands of current operations, modernization of existing weapon systems, and procurement of new capabilities. The Air Force planning and programming process ensures our annual budget submissions are aligned with national strategic direction and balanced between short-term operational and maintenance requirements and longer-term modernization and recapitalization efforts. However, fiscal uncertainty and mandates to keep aging aircraft have forced the Air Force to delay the pace of modernization as we continue to pay for the maintenance, repair and overhaul of aging weapon systems. The average age of Air Force aircraft fleets is 27 years, and some of our most critical capabilities, including JSTARS, are flown on aircraft that are increasingly expensive to maintain and are operated by virtually no one else. The Air Force is committed to striking the right balance between current and future capabilities; but, we need the flexibility within existing top line to make tough choices such as the divestment of aging fleets. We request sufficient and predictable funding to sustain our older fleets, recapitalize to address future threats, and resource the lifecycle costs of each.

RESEARCH AND DEVELOPMENT: RADAR TECHNOLOGY

Question. In both the House Report (H. Rpt. 114–102) and Senate Report (S. Rpt. 114–49) to the FY16 National Defense Authorization Act (NDAA), language was included regarding research with respect to advancements in radar technology, specifically regarding multi-function and phased array radars and all digital polarimetric radars. The language also included conformal phased array antennas that could possibly operate on different frequency bands and be reconfigurable in flight. Of note, the associated technologies should provide advanced capabilities with respect to discrete object sensing and tracking.

I am specifically interested in understanding how the Air Force, and AFRL, intend to respond to this language, and what the long-term plans and possible funding requirements are being considered with respect to research within this area.

Answer. The Air Force's Science and Technology (S&T) program includes robust research in the radar and antenna technology areas outlined in the House and Senate Reports to the Fiscal Year 2016 National Defense Authorization Act. The Fiscal Year 2017 President's Budget request for Air Force S&T supports research and technology advancement in these critical areas.

The Air Force Research Laboratory (AFRL) is leading research in radio frequency (RF) component, aperture, and system technology enabling future Air Force intelligence, surveillance, and reconnaissance (ISR), air dominance, and ground precision attack capabilities. Prior and current projects are focused on achieving multi-function passive and active RF capabilities with increased bandwidth and frequency agility, along with developing conformal, load-bearing antenna structures that offer lower cost insertion on a range of target platforms. Since the late 1990s, AFRL has been addressing the challenge of wideband phased arrays leveraging wideband analog, digital and photonic antenna element designs. The AFRL team includes researchers and program managers from across the laboratory and the portfolio includes significant partnership with the Defense Advanced Research Agency, the intelligence community, the Missile Defense Agency, NASA, industry and academia.

A major AFRL focus through the passive multimode effort is the development of a 1.4–18 GHz phased array with dual polarization, 10:1 bandwidth ratio supporting multi-function air-moving target indication, ground-moving target indication, and synthetic aperture radar imaging employing the same aperture. This system development, initially flight-tested in 2013, is targeted for transition toward tactical combat aircraft, but can be leveraged into ISR and electronic warfare systems.

AFRL also has a long history of development of conformal, structural phased array antennas to reduce cost and flight performance impacts associated with platform integration. The current focus includes the development of conformal spray-on antenna technology in the 0.6–6 GHz band, to be demonstrated for RF direction finding applications on a Tiger Shark unmanned aerial vehicle, and low-cost 3-D antennas optimized by sophisticated computational electromagnetics modeling, targeted toward emerging low-cost unmanned tactical platforms such as potential future derivatives of the miniature air-launched decoy.

We welcome the opportunity to provide additional technical details on the many research directions in these areas and the potential for future Air Force and defense capabilities.

[CLERK'S NOTE.—End of questions submitted by Mr. Cole. Questions submitted by Mr. Aderholt and the answers thereto follow:]

THE COMMERCIAL SPACE ACT OF 1998

Question. Through consultation with legal counsel at the American Law Division, it is clear to me that the Air Force is misinterpreting the Commercial Space Act of 1998. The Air Force interprets the Commercial Space Act of 1998 as prescribing that the USAF may only procure commercial “launch services”, rather than separate rockets or engines, whereas the intent of Section 201 of the Space Act was to direct the Air Force to procure space transportation capabilities from commercial providers, saving US government assets, namely the Space Shuttle, for very specific exceptions. The Act sets up a commercially procured versus US government produced framework, and in no way prohibits the Air Force from directing the production of very specific components to build or retrofit a space launch system, such as a new engine for an existing rocket family. The FYI 6 NDAA's direction to have an engine to replace the RD-180 as soon as possible is not in conflict with the Commercial Space Act. The grant to Aerojet-Rocketdyne to further work on the AR-I engine indicates that you agree; yet, the refusal to have an engine competition to specifically replace the RD-180, indicates a possibly different and troubling interpretation of the 1998 Act, and a prioritization of nurturing multiple businesses over the matter of assured access to space. Because of this apparent misinterpretation of the law, the USAF is missing an opportunity to deliberately re-engine the Atlas V rocket, and instead is delaying our termination of the use of the RD-180 by spreading EELV dollars amongst numerous grants instead of focusing on replacing the RD-180. Re-engining the current Atlas V could save taxpayers hundreds of millions of dollars, and provide a valuable interim capability while we are waiting for new systems, such as methane engines and the proposed Vulcan rocket, to mature and prove themselves.

My understanding is that the Aerospace Corporation has reviewed detailed data supplied by Aerojet-Rocketdyne, regarding the most likely performance of a current Atlas V rocket reengined with two AR-I engines. With regards to the 6 of 8 EELV insertion orbits served by the current Atlas V rocket (using the RD-180). What did the written comments from Aerospace Corporation, shared with the Air Force, show? Does the re-engined rocket serve all six orbits and insert into proper orbit the payloads typically served by the current RD-180 engined Atlas V?

Answer. The Single Core EELC Launch Architecture study was one of many studies requested by the program office as the acquisition strategy was being developed in the Spring of 2015. The purpose was to see if it was possible to develop a launch architecture based on a single core using strap-on solids to achieve entire DoD mission manifest. The Aerospace Corporation completed the study using the latest available data as of early 2015. The study concluded that a single-core medium through heavy architecture was possible but no single enhancement could facilitate it. In addition to new first stage engines, a new upper stage and new/improved solids would be required. As part of this effort, a new LOX/RP-1 engine in an Atlas V was used in six of the 44 scenarios evaluated. In this study, a re-engineered Atlas with new LOX/RP engines could provide performance very close to that of an Atlas V with an RD-180 for some missions. There could be shortfalls, however, particularly for the heavier Geosynchronous Transfer Orbit (GTO) missions (e.g. WGS and AEHF on an Atlas V 531 and 541) and the more complex Geosynchronous Earth

Orbit (GEO) missions. Since this analysis used AR-1 data obtained in February 2015 as the baseline for the new LOX/RP engine, the results of the Atlas V/new RP engine performance was shared with Aerojet Rocketdyne in September 2015.

Question. Aerojet-Rocketdyne just last week completed a review by Marshall Space Flight Center, regarding the likely performance of a current Atlas V re-engined with two AR-1 engines.

Is the Air Force willing to receive and evaluate this information and discuss the findings of these two reviews with Aerojet-Rocketdyne and with the Hill before proposing additional RFP's which spread the limited EELV engine-development dollars amongst multiple providers for launch system components other than booster engines? (I am referring to the National Defense Authorization Act directive to replace the RD-180).

Answer. The Air Force is willing to receive and evaluate any information and findings of the Aerojet-Rocketdyne reviews you mention. The Air Force has contacted NASA to request the Marshall Space Flight Center provide a point of contact for the Air Force to obtain the review information and findings.

The Air Force's proposed strategy is a measured approach that invests in raising the technical maturity and reducing risk of the entire propulsion industry, investing in multiple rocket propulsion system solutions, then down selecting to invest in nominally two launch systems (based on available funding and industry investment needs) that best support the overall goal of two or more commercially-viable launch systems that also meet National Security Space requirements. This is based on continual engagement with industry starting with a request for information released in the fall of 2014.

Question. The current Atlas V launches perhaps three-fourths of our national security missions. Some in the private sector have suggested terminating the Atlas V and dividing launches between the Falcon 9 by SpaceX and the two Delta IV variants being produced—though not indefinitely—by ULA. Please tell me what risks this incurs. Are you concerned about the launch schedule performance by Space X in their ISS cargo missions? I am not asking for your opinion of NASA's opinion. I want your opinion of the low number of launches and what risk that poses for national security. Secondly, what costs would such a proposal create, if Congress were to impose it on the Air Force? My understanding is that you believe it could cost up to 5 billion additional dollars.

Answer. Moving away from the Atlas V launch vehicle prior to developing the next-generation launch service has cost and schedule risks in addition to increased risk for assured access to space, depending on when it is imposed. The Air Force has assessed the impact as a delay to launch missions of 12–48 months and an increased cost in excess of \$1.5 to \$5 billion. These figures vary significantly because they depend on when the Air Force loses access to the RD-180 engine.

The Air Force is implementing a robust certification process for on-ramping New Entrants which includes multiple demonstration flights. This process ensures New Entrants can meet the mission assurance needs for National Security Space missions and lowers the risk for on-ramping. In a competitive environment, it is important to on-ramp New Entrants to ensure assured access to space through multiple providers.

The Air Force has a rigorous source selection process and criteria for assessing the credibility of the launch providers schedule and ability to execute their manifest in support of National Security Space missions.

EELV-USAF INDUSTRY ADVISORS

Question. The Mitchell Commission has concluded that rockets designed and built by various contractors can use the AR-I engine. Given this fact, I believe Congress needs to know more about what information the Air Force is receiving and from whom.

While I am sure your sources are knowledgeable, what are their credentials in engineering physics and in engineering rocket programs, especially as compared to the Mitchell Commission?

Answer. The Aerospace Corporation, the Air Force's independent and objective Federally Funded Research and Development Center (FFRDC), has, since 1960, provided support to the Air Force in the design, acquisition, and operation of space and launch systems. Aerospace employees provide specialty expertise in all areas applicable to launch vehicle and spacecraft systems (e.g. thermal control, optics, guidance, dynamics, propulsion, etc.). Further, the Air Force has continued to work with Major General (ret) Mitch Mitchell on the path forward, along with most of the members from his assessment team. Major General (ret) Mitch Mitchell is an employee of The Aerospace Corporation. Government members from that team have

prominent roles on the program and have worked on recent engine development and launch system development efforts, to include the Atlas V, the Delta IV and the RS-68 and upgraded RS-68A. As you may know, the technologies being developed on some of the rocket propulsion system agreements are firsts for the US rocket industrial base and the Government is working closely with industry to address risks to these new developments through early technical maturation efforts.

Question. What specific rocket engine and rocket body combinations are your information sources referring to from the past? (in the handout you provided to staff on February 17).

Answer. They were not speaking of specific systems, but in general design terms, highlighting the fact that an engine is not "plug-and-play". However, all experts identify the need to design the launch vehicle around the engine is a standard systems engineering best practice.

For example, the development of the F-1 engine and the Apollo Saturn V launch vehicle took place together over the span of a decade. The earliest test firings of components that became part of the Saturn V first-stage F-1 engine took place in 1957. Flight-rating tests were completed in 1964. The first Saturn V unmanned flight test—Apollo 4—took place in November 1967. The first manned Saturn V flight—the Apollo 8 circumlunar mission (the first lunar orbit mission)—occurred in December 1968. Further, the development of the RS-68 engine, which powers the first stage of the Delta IV, occurred over an eight year period during the development of the Delta IV Evolved Expendable Launch Vehicle.

EELV ENGINE EVALUATION

Question. The USAF is investing hundreds of millions of dollars in the development of multiple engines for the Vulcan rocket. Rather than allow the industry to perpetuate the narrative of a preferred engine for a rocket, it is in the best interest of the taxpayer to have an independent third party evaluate the progress of development, to evaluate performance, and to conduct a cost-benefit analysis at multiple milestones of the project?

Answer. We strongly believe that working with launch service providers to determine how they can become more efficient and commercially viable is the most economical path to transition to a domestically produced launch service solution. Specifically on the Vulcan system, the technology that is being developed by the two engine providers is new to the US industrial base. We believe it is prudent to carry two solutions at this time due to the technical maturity of the systems, but we do not intend to carry forward all rocket propulsion systems indefinitely. The Secretary of the Air Force has asked the Office of the Secretary of Defense's Cost Assessment and Program Evaluation (in addition to the Air Force Cost Analysis Agency) to review the launch service investment plan in order to provide a third party cost assessment. In addition, the Aerospace Corporation, the Air Force's independent and objective Federally Funded Research and Development Center, has, since 1960, provided support to the Air Force in the design, acquisition, and operation of space and launch systems. Aerospace provides specialty expertise in all areas applicable to launch vehicle and spacecraft systems. Aerospace acts as our independent third-party to evaluate the progress in each of our rocket propulsion system other transaction authority agreements.

Question. Does the USAF have a plan to incorporate an unbiased look at the program? If not, why?

Answer. Yes, the Secretary of the Air Force has asked the Office of the Secretary of Defense's Cost Assessment and Program Evaluation (in addition to the Air Force Cost Analysis Agency) to review the launch service investment plan to provide a third party cost assessment. In addition, the strategy to transition off the RD-180 by investing in industry's commercial launch systems was developed and vetted in an unbiased forum, the Defense Space Council, which in addition to the Secretary of the Air Force, included senior space leadership from the Office of the Secretary of Defense, Joint Staff, Intelligence Community, U.S. Strategic Command, Army, Navy and the National Security Council.

EELV INTELLECTUAL PROPERTY

Question. The USAF is wise to develop multiple sources of space access, but you invite risk when the intellectual property to produce a launch system is fully retained by the industry provider. If a member of industry were to succumb to market forces and go out of business, or were to find that space launch systems were no longer profitable enough, we would lose half of our space launch capabilities in one fell swoop.

Since OTA's provide less data on a company's financial health than a FAR contract, and less technical data than a FAR contract, and no audit of how disbursed funds have been spent, exactly what intellectual property rights are retained as part of the EELV acquisition?

Answer. The Commercial Space Act mandates the use of commercial launch service providers for Federal Government space transportation services. The patent and data rights articles in the agreements represent a balanced approach to preserving both commercial and government interests. The data rights provide the Air Force with the needed access to safely launch its payloads to the required orbit using industry's launch systems. Specifically, the Other Transaction Authority (OTA) Government Model Agreement includes Article XI on Patent Rights and Article XII on Data rights, which outlines Government access to patents and data. Each of the final Rocket Propulsion System (RPS) OTAs has specifically negotiated articles that detail the patent rights and data rights based on the amounts and types of investments from Government and non-Government sources. The Government rights outlined in the final RPS OTAs vary by company and ranges from Limited Rights to Government Purpose Rights. Finally, it is important to note that there is sufficient cost and technical reporting. For example, the contractor is required to report their investment to date at each milestone payment invoice and the milestones were chosen to track technical progress. In addition, Article VII on Accounting and Audit Administration, includes a requirement to allow the Comptroller General to audit records related to the performance of the OTA.

Question. What risk do we incur under the current process of IP rights as represented by the EELV grants announced thus far?

Answer. The Commercial Space Act mandates the use of commercial launch service providers for federal government space transportation services. The patent and data rights articles in the agreements represent a balanced approach to preserving both commercial and government interests. They are consistent with the data rights obtained by the Air Force on the EELV program in 1998 and provide the Air Force with the needed access to safely launch its payloads to the required orbit using industry's launch systems. Since the Air Force has the data rights to integrate and safely launch National Security Space payloads, there is no additional risk incurred.

Question. Whereas the 1998 Commercial Space Act could be interpreted as prohibiting the establishment of an entire launch system separate from the private sector, retaining production rights should a provider fail is not prohibited.

What are you doing in your contracting and OTA awards to assure that the U.S. taxpayer, as represented by the U.S. Air Force, has production rights to systems we are paying development funding for, and/or providing integration finding for (which could be construed as development funding of certain components), in the event an industry provider becomes unable or unwilling to continue the production of space launch systems?

Answer. The Air Force has not acquired production rights to rocket propulsion systems. Due to the complexity, it is unlikely that another company could produce a Rocket Propulsion System (RPS) with the technical data package from another supplier. The Fiscal Year 2015 National Defense Authorization Act directed that "... the system developed . . . (E) be available for purchase by all space launch providers of the United States."

The Air Force has implemented this requirement in each of the final RPS other transaction authorities with an article/clause requiring that the RPS developed under the agreement be available for purchase by all U.S. space launch providers. By investing in a portfolio of propulsion systems with this requirement, the Air Force has mitigated the risk of not procuring production rights.

B-21 ACQUISITION

Question. The acquisition of recent high-profile DoD weapon systems, such as the F-35, have been marked by cost overruns and delayed timelines; systems are subsequently fielded to our Airmen in a less-than fully-capable configuration, e.g., lacking software required for performance and the use of all weapon systems.

What deliberate steps are being taken to ensure the acquisition of the B-21 Long Range Strike Bomber does not follow in the path of other inefficient and unpredictable acquisition programs?

Answer. From the onset of the B-21 program acquisition strategy, the acquisition and user communities aligned to eliminate baseline requirements changes that might impact cost or schedule. The requirements were set early in the program providing stability, while utilizing the reuse of mature and existing technologies. This allowed industry partners optimum trade-off between affordability and capability to secure a stable design of the platform during the technology development phase.

With sustainment as a key element of the acquisition strategy, the aircraft is being designed to be adaptable through the use of an open mission system architecture that can evolve to address future threat environments as more sophisticated A2/AD are pushing our legacy bombers farther and farther away from the fight. This method enables the platform to rapidly adapt as the threat changes, shortening development cycle times for future upgrades and facilitates sustained competition throughout the B-21 lifecycle, enhancing long-term affordability and supportability.

Furthermore, the acquisition strategy relies on incentives to control cost and schedule and aligned these incentives towards the back end of the Engineering and Manufacturing Development phase to motivate the contractor to proceed smoothly into production. In addition to leveraging lessons learned from previous acquisition programs, B-21 is funding to the Air Force independent cost estimate which is based on historical programs and data, and will become the Acquisition Program Baseline (APB). The APB is the scoring metric which the program will be measured against, providing transparency with Congress and the taxpayer.

Question. What metrics will be used to monitor progress, and what tools does the Air Force have to bring a wayward program back into compliance?

Answer. The Air Force tracks how programs progress using numerous cost, schedule and performance metrics against an approved baseline. Programs report progress in these areas through many means such as Selected Acquisition Reports, Major Automated Information Systems (MAIS) Annual Reports, MAIS Quarterly Reports, and quarterly Defense Acquisition Executive Summary reporting at the Department of Defense (DoD) level. Air Force programs also provide Monthly Acquisition Reports to the Service Acquisition Executive. The Monthly Acquisition Report includes information on schedule, performance and funding progress.

The Air Force also conducts an assessment of the Performance of the Air Force Acquisition System across the enterprise on a quarterly and annual basis. The reports from these assessments provide the status of performance of the enterprise in the areas of cost, schedule, technical, funding execution, contracting, product support, and workforce. All of the data used to generate these reports comes from electronic reporting tools either at the DoD or Air Force level.

In addition to cost, schedule and performance, the Air Force monitors program progress in implementing the DoD Better Buying Power principle of "Should Cost" to reduce or eliminate costs during program execution. Programs are tracked by the number of Should Cost initiatives they are pursuing, the projected savings from those initiatives and the realized savings achieved.

Finally, the Air Force monitors program progress through annual Configuration Steering Boards (CSBs). At a CSB, all requirements changes and significant technical configuration changes for ACAT I and IA programs in development, production and sustainment that have the potential to result in cost and schedule impacts to the program are reviewed. CSBs provide the Air Force an opportunity to strategize how to mitigate cost and schedule impacts to programs that may have encountered challenges in the development, production or sustainment phases.

JSTARS

Question. The Fiscal Year 2017 budget submission slips the initial operating capability for JSTARS recapitalization by at least an additional year, and reduces funding for JSTARS by \$170M when you compare the Fiscal Year 2017 request to what the Air Force indicated was required for Fiscal Year 2017 in the Fiscal Year 2016 request.

Please explain this further delay and reduction of requested funds?

Answer. As part of the Milestone A review and decision process, senior Air Force and Department of Defense acquisition leaders assessed the draft JSTARS recapitalization acquisition strategy and determined the need for more time in the earlier stages of the program to reduce overall program risk. Additionally, the Air Force spent more time analyzing mission area requirements and associated costs. As a result, the Technology Maturity Risk Reduction and Engineering Manufacturing Development phases expanded, giving industry more time to mature their system-level designs and allowing the Department of Defense to better understand the mission area cost-capability trade space. We expect the additional time reducing risk and understanding requirements will facilitate a more executable and affordable program.

The Fiscal Year 2017 President's Budget request was reduced by \$170 million to reflect the anticipated award of the post MS B Engineering Manufacturing Development contract moving from the Fourth Quarter of Fiscal Year 2017 to the First Quarter of Fiscal Year 2018.

Question. What metrics are being used to track progress for the JSTARS recapitalization, and what tools does the Air Force have to ensure the JSTARS recapitalization programs stay within compliance.

Answer. While the JSTARS Recap program is in the Technology Maturation Risk Reduction (TMRR) phase the Air Force is tracking progress against a number of standards including contracted activities (i.e., System Requirements Reviews, System Functional Reviews, and System Preliminary Design reviews), schedule execution, risk management, and financial execution (i.e., obligations and expenditures against OSD goals). Additionally, we will implement earned value metrics as part of the Fiscal Year 2016–2017 radar risk reduction effort. Currently, we have met all of our program goals in pursuit of a fourth quarter, Fiscal Year 2017 Milestone B, including three successful Milestone Decision Authority decisions in less than one year. Our Engineering, Manufacturing and Development contract will implement a broader and more detailed suite of program metrics. The program manager is responsible for compliance, which is verified as part of the systematic and periodic acquisition review process.

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OFFICER PROMOTIONS

Question. Retaining the best personnel requires a superior personnel management system; how your officers view the integrity of your Below Zone (BZ) selection process is critical to that system. The services are charged by Title 10, U.S. Code, to select the best qualified officers for promotion to the next grade. DODI 1320.14 states that board members must certify that they “carefully considered the records of each officer whose name was submitted to the board.” Any methodology for consideration of officers below the zone that does not afford board members the same amount of time for every BZ file, as is afforded to In and Above Zone files, or utilizes a practice to rapidly screen through BZ candidates, is not in keeping with the intent of the statute, or the DODI. A rapid screening of a Below Zone file would not constitute “careful consideration”, and it would invite opportunities for you to overlook the best qualified officers. If it is not already your practice, integrating BZ candidates into the In and Above Zone populations for the purpose of careful and unbiased consideration would meet the intent of the law, and would only marginally increase the length of your promotion selection boards. After such proper consideration, statutory limitations on the number of BZ selectees could then be applied.

Please describe for me your practice for considering officers for promotion from below-the-zone, and inform me how much additional cost you would incur if a modification to properly consider Below Zone candidates is needed, and if you are willing to make such a modification to increase the integrity of your promotion selection board system.

Answer. The Air Force has a thorough, multi-phase process for considering officers for promotion below-the-zone (BZ). We are confident we are executing a fair and equitable process and selecting the best qualified officers available in our Air Force.

The Air Force's current practice for evaluating below-the-zone records was approved by the Secretary of the Air Force and the Assistant Secretary of Defense for Force Management and Personnel in 1992. Our process implements an additional phase entitled the 'Exceptionally Well Qualified (EWQ) Review' (what you refer to as 'screening') and includes two phases over what is accomplished for in- and above-the-zone (I/APZ). This has resulted in an *increased number* of officers selected below-the-zone to both lieutenant colonel and colonel, as compared to selection rates pre-1992. The Air Force currently allows for selection of the maximum number of officers from the below-the-zone category which is set at 10%.

Our promotion recommendation process begins before the central selection board (CSB) convenes. The officer's senior rater (O-6 for majors and below; general officer for lieutenant colonel and above) communicates directly with the CSB via the Promotion Recommendation Form (PRF). This form summarizes the entire record and provides key performance factors from the officer's entire career. The form also provides the ability for the senior rater to identify officers with superior records through the designation of a numerically limited promotion recommendation given to the top 10% of those eligible. As the 'cover document', this is the senior rater's opportunity to tell the CSB whether or not an officer is ready for increased responsibility. During the EWQ process, CSB members carefully consider eligible records to determine if the officer is exceptionally well qualified; there are no time limits to this phase, nor are there any limitations on number of records that can be forwarded to the next (scoring) phase.

During Phase 2, those records forwarded from the EWQ portion are reviewed again and scored numerically. This process mirrors that performed for the I/APZ process and allows for thorough review of all records, rescoring when there are disparate scores between panel members, and multiple second and third reviews for records near the cut off line with similar scores. This thorough process also ensures all records are given careful consideration.

Finally, our BPZ promotion quotas are *at the expense of* the I/APZ quotas. Thus during the final phase (referred to as displacement), the CSB must determine the least meritorious BPZ selected record *is better than* the best non-select I/APZ record. This comparison ensures the best records overall from all three zones (A/IBPZ) are selected while still allowing for the maximum number of BPZ records to be selected.

The Air Force believes our current promotion selection process meets statutory and DoD policy requirements, therefore, we do not recommend modifications to our BPZ promotion practice.

[CLERK'S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Visclosky and the answers thereto follow:]

PRIORITIZATION—NUCLEAR MODERNIZATION PLAN

Question. Secretary James and General Welsh, your prepared testimony states that the Air Force's FY 2017 budget request includes a \$6.5 billion investment in Nuclear Deterrence Operations over the Future Years Defense Plan (FYDP). This is an increase of \$4.3 billion compared to the FY 2016 budget request. Correspondingly, in your testimony, you point out that the Budget Control Act spending caps create significant uncertainty in the planned modernization of the nuclear mission in FY 2018 and beyond.

Given that the cost increase coincides with such considerable budget unpredictability, are we at risk for laying the groundwork for nuclear modernization programs that will ultimately prove to be unaffordable for the Air Force?

Answer. Maintaining a capable and credible nuclear deterrent remains the Air Force's number one priority. However, unless the Department receives relief from the Budget Control Act, difficult choices will have to be made in future years to ensure a proper balance of modernization, capability, capacity and readiness across the Air Force's critical mission areas.

Question. If it is not an option to delay or cancel these nuclear modernization programs because they are valid requirements, then what conventional weapon systems, missions, or force structure is likely to be cut in order to pay for these programs?

Answer. Maintaining a capable and credible nuclear deterrent remains the Air Force's number one mission priority; however, the Air Force must balance this with modernization, capability, capacity and readiness of our other critical mission areas. The Fiscal Year 2017 President's Budget request addresses each of these areas. However, to afford these critical capabilities, we had to make difficult choices, including delaying F-35 procurement, delaying C-130H recapitalization, and reducing

fourth generation modifications. We will endeavor to provide the best military advice regarding tradeoffs in future budget requests, but expect we will face similar difficult choices.

Question. General Welsh, the need for a new air launched nuclear cruise missile has received a lot of attention in the press, with some arguing that it is unnecessary and possibly destabilizing. Setting aside those very valid concerns about the Long-Range Standoff Weapons mission, how does that modernization program rank in priority order when compared to the ICBM, B-61, and Long-Range Standoff Bomber?

Answer. Each of these programs provides capabilities critical to the U.S. Nuclear Triad and to suggest one is more important than another is to presuppose a shift in U.S. policy. Legacy nuclear weapons and weapon systems are well beyond their intended design lives and face challenges in both sustainment and operational effectiveness. If the U.S. is to maintain a credible deterrent, full funding for Department of Defense and Department of Energy programs is critical to keep these vital recapitalization programs on schedule.

MODERNIZATION OF THE C-130 FLEET

Question. The incorporation of the C-130H T56 Series 3.5 EEP's has been described as providing a 10% reduction in fuel use, and over 20% improvement in turbine reliability. This seems to further the efforts towards energy conservation goals and could save the USAF over \$2 billion over the lifetime of the C-130H fleet. In October 2015, the USAF contracted for the procurement of 50 EEP kits using congressionally authorized and appropriated FY14 (\$15.7M) and FY15 (\$22.6M) funds. Congress again appropriated \$33.2M in FY16 to continue EEP upgrades. The FY17 USAF budget request did not include any funds for C-130H EEP upgrades.

What is the USAF life-cycle strategy for C-130's including engine upgrades of the "H" model and C-130J modernization?

Answer. The Fiscal Year 2017 President's Budget request is consistent with the Air Force's commitment to modernizing the C-130H fleet through a four-phased approach: (1) We will ensure the C-130H is safe to operate by keeping the aircraft structurally sound, (2) Meet airspace compliance mandates with C-130H Avionics Modernization Program (AMP) Increment 1, (3) Address avionics modernization with C-130H AMP Increment 2, and (4) Partially recapitalize the fleet with C-130Js.

Congress has appropriated funds for additional modernization efforts, including Fiscal Year 2014 and Fiscal Year 2015 funds for the T-56 3.5 engine modification. The Air Force obligated these funds in September 2015 to procure 50 T-56 3.5 engine modification kits; these kits will modify the 10 LC-130Hs operating out of the 109th Airlift Wing in Schenectady, NY.

Congress also appropriated Fiscal Year 2014 and Fiscal Year 2015 funds for the Eight-Bladed Propeller Upgrade. The Fiscal Year 2014 funds will obligate in July 2016 for non-recurring engineering and to purchase and install the eight-bladed propellers on the 10 LC-130Hs mentioned above. Lastly, Congress appropriated Fiscal Year 2016 funds for the Electronic Propeller Control System (EPCS) and In-Flight Propeller Balancing System.

Since these C-130H propulsion upgrades have only been tested individually, the Air Force will conduct an operational utility evaluation (OUE) to test the T-56 3.5 engine modification in combination with the eight-bladed propellers and the EPCS from January to July 2017. The OUE's data and final test report will support a fielding recommendation based on the operational effectiveness, suitability, and affordability of these propulsion system upgrades. This evaluation is necessary prior to an Air Force decision on the significant investment these modifications would require to outfit the entire legacy C-130H fleet.

MICROELECTRONICS AND TRUSTED FOUNDRY

Question. During Secretary Carter's testimony to the HAC-D, he highlighted a concern with microelectronics and Trusted Foundry. As the US Air Force prepares to embark on a major nuclear modernization effort, modernization of various aircraft platforms and ensuring our dominance in space and cyber, the availability of trusted microelectronics is a critical component of this modernization effort.

Are there any issues with microelectronics and the defense industrial base? More specifically, does the US Air Force have a strategy to maintain availability of nuclear hardened microelectronics during this modernization? Are there other shortfalls with the Defense Industrial Base or manufacturing capability within the US that concerns with USAF?

Answer. The Air Force, as well as other Department of Defense components, is concerned over the continued capability of the domestic industrial base in the area of microelectronics. Industry-wide globalization, segmentation separating integrated circuit designers from producers, and the rate of change in technology make it more difficult to acquire needed products.

The Air Force continues to focus on maintaining the availability of nuclear hardened microelectronics for the Ground Based Strategic Deterrent (GBSD) program. During Fiscal Year Fiscal Year 2014, the Intercontinental Ballistic Missile (ICBM) Guidance Applications effort, under the ICBM Demonstration/Validation program element, invested funding to adapt the Navy's electronic parts library for future use. Through this effort, approximately 25 parts suppliers were identified. The library of parts that they supply will be available to bidders on the GBSD contract and GBSD will use the same or similar suppliers for radiation-hardened electronics as were used by the Navy during the Trident II D5 Life Extension program. Additionally, in Fiscal Year 2017 ICBM Guidance Applications will be independently validating and verifying suppliers (especially for parts with a single supplier) for their ability to produce parts for strategic radiation and other missile environments that are historically challenging. Similar efforts are being accomplished for the ICBM Fuze Modernization program, which is utilizing Congressionally-approved life-of-program-buy authority to purchase and qualify common electronic parts with the Navy fuze program.

The Air Force is confident in the capability and capacity of the domestic industrial base to support our currently fielded systems and those in production. We concerned about the domestic capability and capacity to design and produce future systems needed across the domains of air, space, and cyberspace. The skill base supporting the military-unique demands of the Air Force needs to be continually refreshed and we must avoid gaps in demand on the industrial base to prevent corresponding gaps in the knowledge and skills.

Question. As you may know, the DoD was directed to submit a report on the topic of Trusted Foundry within 90 days of the December 2015 FY16 Omnibus Appropriations Act. What input did the USAF provide to OSD in regards to Trusted Foundry?

Answer. The Air Force, in coordination with the Office of the Deputy Assistant Secretary for Systems Engineering, is pursuing multiple options to address the topic of Trusted Foundry. We provided input involving three basic categories:

First, continued use of the existing Trusted Foundries. We plan to continue using trusted foundries in accordance with Public Law 110-417, §254, 14 Oct 2008; however, the unique parts manufactured on the foundries at Burlington, VT and East Fish Kill, NY are not available elsewhere without redesigning them. Redesign will take 5-7 years and more than \$250 million in non-recurring engineering costs. Until a new part is designed, we plan to continue acquiring current parts from these foundries using Life of Type Buys and stockpiling parts for future acquisition programs beginning in Fiscal Year 2018. Given the time it will take to redesign the current parts for manufacturing on another foundry line, we will press forward with designing the next generation part to obtain more state-of-the-art capability for future use. In order to reduce risk, we will pursue options generated from activities in the paragraph below.

Second, the Air Force, along with the rest of the Department of Defense (DoD), is exploring methods to perform "trusted manufacturing on untrusted lines." This approach permits us a greater number of foundries to consider for manufacturing of future generations of state-of-the-art parts. A DoD foundry was considered, but not adopted. Experience over the past 25 years indicates the two prior attempts floundered after 10 years and could not keep up with DoD's need for state-of-the-art parts. In addition, U.S. industry has migrated foundry manufacturing overseas to reduce costs for commercial devices for the wireless communications industries. DoD's share of this market is 3% and usually less annually; therefore, DoD has little to no influence over commercial foundries. Activities in this area are ongoing and results are expected in Calendar Year 2017 to inform future decisions. Initial, classified indications suggest these activities will be successful in providing DoD with options to trusted foundries.

Third, the Air Force will leverage Joint Federated Assurance Center (JFAC) activities to ensure parts obtained from untrusted sources comply with JFAC objectives for trust and assurance.

Question. What involvement does the US Air Force have with the Department's manufacturing institutes?

Answer. The Air Force, via the Air Force Research Laboratory, currently executes three co-operative agreements supporting Manufacturing Institutes: America Makes, American Institute for Manufacturing Photonics (AIM-IP) and NextFlex.

In 2012, the Air Force, on behalf of the Office of the Secretary of Defense, led an interagency effort to launch America Makes, a public-private partnership in additive manufacturing with the mission to accelerate the adoption of additive manufacturing and 3D printing technologies in the U.S. manufacturing sector and to increase domestic competitiveness. AIM-IP was established in August 2015 and is focused on developing novel manufacturing processes for integrated photonic devices. NextFlex was established in September 2015 and is focused on developing highly tailorable devices on flexible and stretchable substrates.

Scientists and engineers from the Air Force Research Laboratory support the Institutes by participating on technical advisory boards and government advisory boards and by providing subject matter expertise for source selection and project execution.

[CLERK'S NOTE.—End of questions submitted by Mr. Visclosky. Questions submitted by Ms. Kaptur and the answers thereto follow:]

STATE PARTNERSHIP PROGRAM

Question. What does this budget do to facilitate growing the State Partnership Program?

Answer. The Fiscal Year 2017 State Partnership (SPP) budget does not support program growth. The geographic combatant commanders' SPP demand signal continues to increase, as evidenced by increases in approved partnerships and a list of proposed partnerships waiting for Office of the Secretary of Defense approval. Unfortunately, SPP is one of many valuable programs we have not been able to grow as a result of fiscal constraints.

Question. What additional authorities would you need to expand the SPP mission to include humanitarian missions, counter-messaging efforts, and to work with civilian populations in partner countries?

Answer. The National Guard has adequate legal authorities to engage in humanitarian assistance/disaster response missions (examples include Overseas Humanitarian, Disaster, and Civic Aid Appropriation (OHDACA); 10 U.S.C. 2561—Transportation of relief supplies; 10 U.S.C. 402—Denton Program, Space Available Transport; 10 U.S.C. 404—Foreign Disaster Assistance) and civilian engagement. A legislative change to increase SPP activities would be to adjust the Foreign Assistance Act of 1961 to authorize pay and allowances funds, as well as operation and maintenance funds, for Foreign Military Financing and OHDACA type appropriations. At this time, the Department has not proposed legislation to add these caveats.

Question. What effort is there to capitalize on the immense personal ties to this region and capabilities in the U.S. to combat Russian subterfuge and propaganda, particularly in the area of social media and television?

Answer. State Partnership Program (SPP) activities and priorities are coordinated to meet the geographic combatant commander's security cooperation objectives. SPP is not the appropriate security cooperation tool for overt intelligence collection or military information support operations. We recommend questions about U.S. capabilities and efforts to combat Russian subterfuge and propaganda in the region be addressed to U.S. European Command.

TITLE 10 U.S.C. 12304b ACTIVATIONS

Question. Does this authorization entitle National Guard Airmen to all the same retirement, education and TriCare benefits as the authorization currently being used to deploy these Airmen to Afghanistan or Iraq? Specifically, what is the difference?

Answer. The benefits afforded to an Airman depend upon the authority used to call the Airman to active duty. Activation under 12304b is involuntary. The benefits associated with a 12304b activation, however, do not match the benefits of 12302 (a partial mobilization involuntary activation authority) or of 12301(d) (a voluntary activation authority), both of which are being used to deploy Airmen to Afghanistan and Iraq. Specific differences in benefits include:

- Reduced age for Retirement (10 U.S.C. 12731)—12302 and 12301(d) provide this benefit; 12304b does not
- Post 9/11 GI Bill (10 U.S.C. 3301)—12302 and 12301(d) provide this benefit; 12304b does not
- Pre-Mobilization Health Care (10 U.S.C. 1174(d))—12302 and 12301(d) provide this benefit if the member serves in support of a contingency operation. 12304b is to be utilized for preplanned missions in support of combatant com-

mands. This typically does not include contingency operations. 10 U.S.C. 101(a)(13), which defines contingency operations, does not expressly recognize 12304b activations. Accordingly, current DOD policy recognizes 12304b as a support activation authority that is not intended for contingency operations

- Vocational Rehabilitation (10 U.S.C. 3103)—12302 and 12301(d) provide this benefit; 12304b does not
- Voluntary Separation Pay Recoup Protection (10 U.S.C. 1175a)—12302 provides this benefit; 12304b does not
- Federal Civilian Differential Pay (5 U.S.C. 5538)—12302 provides this benefit; 12301(d) provides this benefit if a member serves in support of a contingency operation; 12304b does not provide this benefit because it is not utilized as an activation authority for contingency operations.

MATERNITY LEAVE

Question. What is the Air Force doing to ensure cultural acceptance of females taking 12 weeks of maternity leave, particularly for senior NCOs and officers?

Answer. When the Secretary of the Air Force announced the Department of Defense-wide change to maternity leave policy, she stressed that commanders will grant maternity leave in all cases where Airmen are eligible and that no Airman shall be disadvantaged in her career, including limitations to assignments, evaluations, or selection for professional military education because she has taken maternity leave. We trust that commanders will take this charge and make every effort to ensure that all eligible personnel are able to take maternity leave without disadvantage. Since the initiative is so new, we do not have any data that suggests a culture of acceptance does not exist. The Air Force will continue to evaluate policy execution as the initiative matures.

Question. Is there any intention of publishing formal guidance or training materials on this topic to ensure females feel comfortable taking the full allotted time?

Answer. The Secretary of Defense announced the changes to the maternity leave policy late January 2016 extending this non-chargeable leave benefit from six to twelve weeks to members who give birth and retain their child(ren). The following week, the Air Force announced those changes via a “SecAF All” email, CSAF email to senior leadership, a “MyPers” message to the major command Manpower and Personnel Directorates and base Military Personnel Sections and an article on the Air Force Portal. In the Secretary of the Air Force’s email, she stressed that commanders will grant maternity leave in all cases where Airmen are eligible and that no Airmen shall be disadvantaged in her career, including limitations to assignments, evaluations or selection for professional military education because she has taken maternity leave. The guidance sent out to the field has highlighted the importance of supervisors at all levels to ensure eligible personnel are able to take maternity leave without disadvantage. Additionally, Public Affairs Guidance was distributed to all major command Public Affairs offices for sharing with the bases; this included a question and answer section.

While the policy is in full effect right now, Air Force Instruction 36–3003, *Military Leave Program*, is scheduled to be updated with the revised guidance and is projected to be published no later than May 31, 2016.

While we expect female Airmen to feel comfortable in taking the full amount of maternity leave without repercussion, we know new programs always need to be monitored. We will continue to evaluate any potential impacts as the initiative matures and implement additional policies as necessary to ensure our Airmen are not disadvantaged because they took maternity leave.

Question. What do you anticipate as the impact on their career and evaluations as a result of taking 12 weeks off for maternity?

Answer. All active duty personnel receive at least one performance report per year to evaluate their duty performance over the course of that reporting period. There are a multitude of situations where an individual is away for extended periods of time such as lengthy advanced training courses or other medical conditions. The Air Force has measures in place to ensure proper reporting and evaluation of Airmen. Further, in her guidance to all Airmen on this subject, the Secretary of the Air Force mandated that no Airman shall be disadvantaged in her career, including limitations to assignments, evaluations or selection for professional military education because she has taken maternity leave.

From a development perspective, the Air Force will need to examine the policies in place throughout the portfolio of in-residence formal training and professional military education programs in regards to extended absences and program completion. Many of the programs have physical and team oriented curricula that require attendance and participation to meet standards. Policies will need to be put in place

to ensure training and development opportunities are not missed due to a pregnancy.

Since this is a new initiative, we will continue to evaluate any potential impacts as the initiative matures and implement additional policies as necessary to ensure our Airmen are not disadvantaged because they took maternity leave.

TOTAL FORCE

Question. What progress are you making with placing a National Guard officer in command of an active duty unit? How many NG officers and Airmen are filling active duty billets? How many NG officers are in command of active component units?

Answer. The Air Force continues to make progress integrating Air National Guard (ANG) and Air Force Reserve leaders with active duty units. For example, an Air National Guard colonel has been selected by the Air Force Colonels Management Office to take command of the 6th Air Mobility Wing at MacDill AFB, Florida in July 2016 for a period of two years. The ANG currently has ten general officers assigned to active duty billets, one lieutenant colonel serving as Commandant of the Air Force Officer Training School, and one chief master sergeant on a limited recall to active duty serving as the Commandant of the Air Force First Sergeant Academy. The ANG also has one officer in command with the First Air Force and another officer currently deployed as an operations group commander to Al Udeid Air Base, Qatar.

F-35

Question. When will the basing requirements for the F-35A be released?

Answer. The basing enterprise and criteria for the Air National Guard F-35A operational locations (Ops 5–6) and the Air Force Reserve F-35A operational location (Ops 7) were released on April 12, 2016.

Question. Does the reduced F-35 procurement effect fielding to the National Guard or to the active force?

Answer. We have not yet determined how the delayed F-35 procurement will impact fielding. However, the Air Force's total F-35 procurement goal remains 1,763. The Fiscal Year 2017 President's Budget request does not change that total number. It only slows procurement in order to address near-term requirements, including costs to maintain current fighter capacity.

ENERGY

Question. What is your current progress in complying with Executive Order 13693? What in the budget addresses achieving these goals?

Answer. EO 13693 identifies numerous sustainability and energy and greenhouse gas reduction goals. With the multiple competing demands on our budget—high operations tempo, coupled with weighty warfighter investment and operations requirements—we are currently falling short of meeting EO 13693 goals. Projects that seek to reduce gas emissions, water intensity, and energy intensity compete directly against critical modernization and readiness demands. To balance it all, we're funding infrastructure on a mission-critical, worst-first basis.

Notwithstanding the difficult decisions we've had to make across our investment, operations, and infrastructure accounts, our commitment to EO 13693 goals remains steadfast. For example, the Air Force currently leads the DoD in energy intensity reduction, down by 24% since 2003. At Los Angeles Air Force Base, we put in place DoD's first fleet of all-electric, zero-emission general purpose vehicles and we're working toward Vehicle to Grid (V2G) capability. In March 2016, we established the Office of Energy Assurance (AF-OEA). The AF-OEA will bring best-practices and expertise to develop, implement and oversee an integrated facility energy portfolio, including privately-financed, large-scale renewable and alternative energy projects as well as direct Air Force investments. Additionally, we recently commenced our Resilient Energy Demonstration Initiative (REDI) to stand up smart, cyber-secure, clean powered microgrid demonstration projects on critical Air Force installations. Integrating available tools and authorities and a holistic approach to energy planning, REDI will produce reliable, clean and cost-effective solutions that can be replicated across the Air Force enterprise.

There is no specific budget line item reserved for EO 13693 associated activities. The Air Force uses all available authorities, including third-party financing and direct funding via various budget lines, such as the facilities, sustainment, restoration, and modernization (operation and maintenance appropriation) and military construction, to fund the projects that support EO 13693 goals.

[CLERK'S NOTE.—End of questions submitted by Ms. Kaptur.]

THURSDAY, MARCH 3, 2016.

FISCAL YEAR 2017 ARMY BUDGET OVERVIEW

WITNESSES

HON. PATRICK MURPHY, ACTING SECRETARY, UNITED STATES ARMY
GENERAL MARK A. MILLEY, CHIEF OF STAFF, UNITED STATES ARMY

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. The committee will come to order. We are going to proceed as quickly as we can, knowing that there is a series of votes.

This morning, the committee continues a series of open defense posture and budget hearings. Today, the committee will receive testimony on the posture of the United States Army and its fiscal year 2017 budget. We welcome two Army leaders in new positions to the witness table: the Honorable Patrick Murphy, acting Secretary of the Army; and General Mark Milley, Chief of Staff of the Army. Secretary Murphy was recently sworn in as Under Secretary of the Army and serves as acting Secretary of the Army. He previously served with us here in Congress from 2007 to 2011. He is also an Army veteran, including service in Bosnia, and then with the 82nd Airborne in Baghdad.

Secretary Murphy, welcome, and thank you for your continuing service to our Nation. Great to have you here.

Mr. MURPHY. Thank you.

Mr. FRELINGHUYSEN. We also welcome for the first time General Mark A. Milley, the 39th Chief of Staff of the Army. General Milley has held multiple command and staff positions in eight divisions and the Special Forces throughout the last 35 years, most recently as the 21st Commander of the U.S. Army Forces Command, Fort Bragg.

General Milley, thank you for being with us.

Gentlemen, as you know there was a time in the recent past when some experts saw a declining need for U.S. land power and actually planned for a smaller less capable Army. Such thinking was clearly wrong. While the United States remains the most formidable ground combat force on Earth, declining end strength and a frozen budget will challenge the Army's ability to answer the bell when asked by future Commanders in Chief. For now, the Army is very much engaged in Afghanistan, trying to secure the hard-fought gains we made over the last 15 years of conflict, even as plans for our departure have been postponed. We also have soldiers advising and assisting and still in harm's way in Iraq, Syria, Africa, and around the world; some in small operations, some in larger, all of those operations complex. The Army has a missile defense mission in the Persian Gulf, and a peacekeeping mission, an endur-

ing one, in the Sinai. Over 28,000 soldiers stand alert in South Korea against the unpredictable regime to the north.

At the same time, the need for a strong capable Army is underscored by new threats. You stand against Russian belligerents in Europe and act to deter a newly aggressive China, which I may say has the largest Army in the world. In fact, as we meet here today, our Army has nearly well over 200,000 soldiers deployed in 140 countries. For these reasons, the Army has presented a budget that emphasizes readiness to ensure our soldiers are prepared for whatever our unpredictable world brings.

But, gentlemen, this appears to be a status quo budget. The funding level of 2017 request nearly mirrors the current levels. After the return of forces from Iraq and Afghanistan, the expectation had been that units would return to full spectrum training, yet the Army's operational tempo has not slowed down, and since then, additional units, equipment, and soldiers have deployed to Eastern Europe to deter and defeat Russian aggression. Meanwhile, critical maintenance has been delayed and infrastructure repairs postponed.

Properly funding readiness, however, comes at a cost, primarily in the form of major reductions to large modernization programs. Most notably, it appears that Army aviation is the major billpayer for preserving readiness. This comes at a time when we are hearing Army leadership saying that additional aviation assets are their highest priority as they seek to deter Russia.

I would add that the National Commission on the Future of the Army is strongly recommending that the Army actually expand aircraft procurement to meet demands for air power on the Korean Peninsula and in Europe, and to ensure that the National Guard remains a viable partner.

Another challenge you face is the steady drawdown of your end strength numbers based on mission assumptions made several years ago. The world has dramatically changed in the last 2 years, and so have our strategic challenges. Remembering the repeated combat rotations, the 18-month deployments of recent years, today, we will discuss whether you believe the Army is properly sized to meet its range of requirements. The committee certainly appreciates the complexity of these challenges that are before you. We know these are dangerous times and will do everything we can to provide you with the resources you need, even if they are not always in your budget request.

In that regard, I want to call to your attention the study sponsored by the Office of the Secretary of Defense to explore Army lethality. We all agree that we never want to send our soldiers and marines into a fair fight; we must maintain the upper hand. The subcommittee directed this research out of concern that our historic lethality overmatch over our adversaries is eroding and, in some cases, has been lost entirely. Specifically, we were concerned about the lethality of individual soldiers in small units and about field artillery that has not kept pace with technological advances. We are concerned about the losses we are facing in range, response time, accuracy, and lethal effects to name a few. To illustrate a point, I would point the committee's attention as it has been—we have been giving our attention to eastern Ukraine where we have seen

a relatively new Russian technology—artillery, armor, small arms—used to great effect. This is one of reasons the subcommittee provided \$314 million in new funding last year to begin up-gunning some of our Stryker Combat Vehicles. I would also add that China has made some impressive gains in these vital areas as well. This important study should be landing on your desk shortly, and I look forward for working with you to fill those gaps.

I would like to hear from you and your staff on actual recommendations for fiscal year 2017.

Secretary Murphy, General Milley, I want to close by asking you to convey to our soldiers and their families how much this committee appreciates their work and their sacrifice to each and every day. You represent the best of America. You look after the best of America. And it has been our pleasure and honor to work with you as well as with your predecessors.

I am very pleased to yield to my ranking member, Mr. Visclosky.

REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Thank you, Mr. Chairman.

I appreciate your holding a hearing.

And, gentlemen, appreciate your service and do look forward to your testimony today. Thank you very much.

Mr. FRELINGHUYSEN. Thank you.

Secretary Murphy, welcome. Welcome back. It is different to have you on the other side of the dais, but we are glad you are here.

SUMMARY STATEMENT OF SECRETARY MURPHY

Mr. MURPHY. Thank you, Mr. Chairman.

And, Ranking Member Visclosky and members of the committee, thank you so much for the opportunity to discuss our Army with you here this morning. This is my eighth week on the job as acting Secretary of the Army, and it is truly an honor to be back with my Army family. I have traveled this year to see our soldiers, civilians, and their families at Fort Hood, Fort Sam Houston, and most recently Iraq and Afghanistan. The selfless service and dedication of our team should inspire us all. We are tasked with the solemn responsibility to fight and win our Nation's wars and to keep our families safe here at home. Our Army must produce ready units today to defer and defeat our Nation's enemies, defend our homeland, project power, and to win decisively. By "ready," we mean that units that are fully manned, trained for combat, fully equipped, according to their designed structure, and led by competent leaders. We must also be ready for our future fights by investing in modernization and research and development. We do not want our soldiers to have a fair fight. We want them to have the technical and tactical advantage over our enemies.

READINESS

With our \$125.1 billion budget request, our Army will focus its efforts on rebuilding readiness for large-scale, high-end ground combat. We do so because we believe ignoring readiness shortfalls puts our Nation at the greatest risk for the following reasons.

First, readiness wins wars. Our Army has never been the largest in the war, and at times, we have not been the best equipped. But since World War II, we have recognized that ready soldiers, properly manned, trained, equipped, and led can beat larger or more determined forces. Whether confronting the barbaric acts of ISIS or the desperation of North Korea, our Army must be prepared to execute and to win. We train like we fight, and our Army must be ready to fight tonight.

Next, readiness deters our most dangerous threats and assures our allies. We are reminded with alarming frequency that great power conflicts are not dead. Today they manifest on a regional basis. Both Russia and China are challenging America's willingness and ability to enforce international standards of conduct. A ready Army provides America the strength to deter such actions and reassure our partners throughout the world. Readiness also makes future training less costly. Continuous operations since 2001 have left our force proficient in stability and counterterrorism operation. But our future command sergeants major and brigade combat leaders have not had the critical combat training experience as junior leaders trained for high-end ground combat. Investing in readiness today builds a foundation necessary for long-term readiness.

Finally, readiness prepares our force for potential future conflicts. We cannot fight the last fight. Our Army must be prepared to face the high-end and advanced combat power of an aggressive Russia or, more likely, Russian aggression employed by surrogate actors. This budget dedicates resources to develop solutions for this to allow our force the space to develop new concepts informed by the recommendations of the National Commission on the Future of the Army. Our formations must first be ready to execute against current and emerging threats. The choice, though, to invest in near-term readiness does come with risk. Smaller modernization investments risk our ability to fight and win in the future. We have no new major modernization programs this decade. Smaller investments in end strength risk our ability to conduct multiple operations for sustained periods of time.

In short, we are mortgaging our future readiness because we have to ensure in today's battles against emerging threats. That is why initiatives like BRAC in 2019 are needed to be implemented now. Let us manage your investment, and it will result in \$500 million a year in savings and a return on your investment within 5 years.

FUNDING LEVELS

Lastly, while we thank the Congress for the Bipartisan Budget Act of 2015, which provides short-term relief and 2 years of predictable funding, we request your support for the enactment of our budget, as proposed. We request your support for continued funding at levels calibrated to current threats and our national security interest. And we request your continued support for our soldiers, civilians, and their families so that our Army remains the most capable fighting force in the world and wins our Nation's wars and keeps our families safe here at home.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. And you will have that support. Thank you, Mr. Secretary.

General Milley, thank you for being with us.

SUMMARY STATEMENT OF GENERAL MILLEY

General MILLEY. Thank you, Chairman Frelinghuysen.

And thanks, Ranking Member Visclosky and everyone else that is here and all the distinguished members of the committee, for the opportunity to appear before you today to discuss your Army. And thank you for your consistent support and commitment to our Army soldiers and civilians and families. And thank you for supporting this budget.

READINESS

Six months ago, when confirmed as the 39th chief of staff, I committed to you and the American people to ensure that this Nation has the Army it needs and is postured for an uncertain and increasingly complex future and that we must remain the world's most cable, versatile and lethal ground force valued by our friends and feared by our enemies. This mission has one common thread, and that thread is readiness.

A ready Army is manned, trained, equipped, and well led as the foundation of America's joint force. In order to conduct missions, to deter, and, if deterrence fails, to defeat a wide range of state and nonstate actors today, tomorrow, and into the future. Fifteen years of continuous counterinsurgency operations combined with recent reduced and unpredictable budgets has created a gap in our proficiency to conduct combined arms operations against enemy conventional or hybrid forces, resulting in an Army today that is less than ready to fight and win against emerging threats.

America is a global power, and our Army must be capable of meeting a wide variety of threats under varying conditions anywhere on Earth. Our challenge today is to sustain the counterterrorist and counterinsurgency capabilities that we have developed to a high degree of proficiency over the last 15 years of war but simultaneously rebuild the capability to win in ground combat against higher end threats. We can wish away this latter case. But we would be foolish as a Nation to do so.

This budget prioritizes readiness because the global security environment is increasingly uncertain and complex. Today, we see in the Middle East, South Asia, and Africa radical terrorism and the malign influence of Iran threatening that regional order. In Europe, we see a revanchist Russia who has modernized its military, invaded several foreign countries, and continues to act aggressively toward its neighbors using multiple means of national power.

THREATS

In Asia, in the Pacific, there are complex systemic challenges with a rising China that is increasingly assertive militarily, and a very provocative North Korea. Both situations creating the conditions for potential conflict.

While we cannot forecast precisely when and where the next contingency will arise, it is my professional military view that if any

contingency happens, it will likely require a significant amount of United States Army ground forces. If one or more possible unforeseen contingencies happen, then we, the United States Army, risk not having ready forces available to provide flexible options to our national leadership, and if committed, we risk not being able to accomplish the strategic tasks at hand in an acceptable amount of time. And, most importantly, we risk incurring significantly increased U.S. casualties.

In sum, we risk the ability to conduct ground operations of sufficient scale and ample duration to achieve strategic objectives or win decisively at an acceptable cost against a highly lethal hybrid threat or near-peer adversary in the unforgiving environment of ground combat.

The Army is currently committed to winning our fight against radical terrorists and deterring conflict in other parts of the globe. The Army provides 46 percent of all global combatant commander demand on an annual basis. And we provide 64 percent of all emerging or unforecasted combatant commander demand. And as the chairman noted, we have over 200,000 soldiers currently deployed all around the globe.

To sustain current operations and to mitigate the risk of deploying an unready force into future combat operations, the Army will continue—and we must—to prioritize and fully fund readiness over end strength modernization and infrastructure. We prefer investment in both current and future readiness. The security environment of today, however, and the near future drive our investment into current readiness for global operations and potential contingencies.

So, specifically, we ask that you support and fully fund the manning and equipping of our combat formations and our ability to conduct realistic combined arms combat training at both home station and our combat training centers.

MODERNIZATION

Additionally, we ask your support for our modernization in five key capability areas. We ask support for aviation, command and control of the network, integrated air and missile defense, combat vehicles, and emerging threat programs. And, finally, we ask your continued support for our soldiers and families to recruit and retain high quality soldiers of character and competence.

And I also want to acknowledge in closing the great work of the National Commission for the Future of the Army. And we as a Total Army are embracing the report. We are reviewing all of their recommendations and will report back through the Secretary of Defense on the way forward and our thoughts about the 63 findings within the Commission's report. So, in order to best utilize the resources provided, we intend to continue to streamline our headquarters, ruthlessly cut activities that do not contribute to an effective fighting force, and we do ask for another round of BRAC. We request your support for the proposed budget as written, and we thank Congress for your Bipartisan Budget Act of 2015 which provided short-term relief and 2 years of predictable funding. With your support, we will be able to build readiness for contingencies, invest selectively in the readiness of our future force. And I thank

you for the opportunity to testify, and I look forward to your questions.

[The joint statement of Secretary Murphy and General Milley follows:]

RECORD VERSION

STATEMENT BY
THE HONORABLE PATRICK J. MURPHY
ACTING SECRETARY OF THE ARMY

AND

GENERAL MARK A. MILLEY
CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE

HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON DEFENSE

SECOND SESSION, 114TH CONGRESS

ON THE POSTURE OF THE UNITED STATES ARMY
MARCH 3, 2016

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Contents

Introduction 1

Adapting to New Strategic Realities 2

The Foundation of America’s Defense 4

Ready to Fight Tonight 5

Strengthening Army Readiness 7

Modernization: Equipped to Fight 8

Soldiers, Civilians, and Families: Our Greatest Asset 10

The Army’s Budget Request 11

Conclusion 12

We would like to thank the committee for their continued support of the United States Army and the American Soldier. Humbled to be entrusted with the care of our Soldiers, Civilians, and their Families, we look forward to working with Congress to ensure our Army remains unmatched in the world.

Introduction

The United States Army is the most formidable ground combat force on earth. America's Army has convincingly demonstrated its competence and effectiveness in diverse missions overseas and in the homeland. Today, these missions include: fighting terrorists around the world; training Afghan and Iraqi Army forces; peacekeeping in the Sinai Peninsula and Kosovo; missile defense in the Persian Gulf; security assistance in Africa and South America; deterrence in Europe, the Republic of Korea, and Kuwait; rapid deployment global contingency forces; and response forces for the homeland. Additionally, we maintain 12,000 miles of U.S. waterways; respond to hurricanes, floods, and severe snowstorms; patrol our Southwest border; and assist with the response to the outbreak of pandemic diseases. In support of these U.S. Geographic Combatant Command missions, the Army has approximately 190,000 Soldiers deployed to 140 countries. Largely due to deliberate investments in Soldier training, equipping, and leader development, today's Army continues to excel at these diverse and enduring missions. However, we cannot become complacent, remain static, and look to the past or present to be a guarantor of future victory. To sustain this high performance and remain prepared for potential contingencies, the Army must make the most of the resources entrusted to us by the American people. This ultimately requires a balance of competing requirements—readiness, end strength, and modernization—to ensure America's Army remains ready to fight and win both today and in the future.

Throughout history, successful armies anticipated the future, adapted, and capitalized upon opportunities. Today, the Army faces a rapidly changing security environment that requires the Army to make difficult decisions in order to remain an effective instrument of the Nation's military power. An Army ready for combat is the most effective tool to continually assure allies and deter or defeat adversaries. However, given the past three years of reduced funding coupled with the uncertainty of future funding, the Army risks going to war with insufficient readiness to win decisively. Therefore, the Army's number one priority is readiness.

Increasing Army readiness provides additional options for the President, Secretary of Defense, and Congress to successfully implement American foreign and security policy. In this budget, the Army will focus investments on readiness, key modernization programs, and Soldier quality of life to sustain the world's greatest Army. Our benchmark of success is to: sustain and improve our capabilities to prevent conflict; shape the environment by building partner capacity; win

the current war against terrorists in Iraq, Afghanistan, and elsewhere; and prepare ourselves to win the next war decisively.

A ready Army is a manned, trained, equipped, and well-led force that can conduct Joint missions to deter and defeat a wide range of state and non-state actors. No American Soldier should ever go to combat unready for the brutal and unforgiving environment of ground combat—that is the contract we must ensure is rock solid between the American people and the American Army. Therefore, this budget requests Congressional support to fund readiness and end strength, provide our Soldiers with modern equipment, and ensure adequate Soldier quality of life.

Adapting to New Strategic Realities

The global security environment is increasingly uncertain and complex. Opportunities to create a less dangerous world through diplomacy, economic stability, collective security, and national example exist, but military strength is both a complementary and foundational element of National power in a dangerous world. Each element is necessary in combination with the others; however, each alone is insufficient to win a war or maintain a peace. The conditions of diplomatic success, for example, are more likely if military options are credible, real, and perceived as unacceptable to an adversary. Therefore, for the Nation to advance its enduring national interests, our Joint force as a whole, and the Army in particular—in terms of capacity and capability—must remain strong.

In Europe, Russia continues to act aggressively. While we cannot predict Russia's next move, its record of aggression in multiple domains throughout the last decade—Georgia in 2008 and Ukraine (both eastern and Crimea) in 2014—clearly illustrates the need to be prepared to deter or defeat further Russian aggression. Russian acts of aggression are a direct threat to the national security of the United States and our NATO allies. Accordingly, in this budget we ask for your support to modify the Army's posture in Europe, including more rotational forces, prepositioned equipment, and increased operational use of the Army National Guard and Army Reserve.

Throughout the Middle East and South Asia, radical terrorism threatens regional order. The Islamic State of Iraq and the Levant, al-Qaeda, and other transnational terrorist groups present a significant threat and must be destroyed. The Islamic State of Iraq and the Levant is the most lethal and destabilizing terrorist group in modern history. There are more members of radical Islamic terrorist groups operating in Iraq, Syria, Egypt, Saudi Arabia, Libya, Algeria, Morocco, and elsewhere than ever before. Their ability to seize and hold territory and spread their ideology through social media is a significant challenge. They also have demonstrated both capability and intent for global reach into Europe, Asia, and the U.S. homeland. Additionally, although the imminent threat of Iran's nuclear weapons development has reduced, Iran remains a supporter of various terrorist groups and is a considerable threat to stability in the Middle East and U.S. interests. Destroying the Islamic

State of Iraq and the Levant and other radical terrorist groups will take considerable time. It is a necessary commitment and we ask Congress for continued resources to sustain our efforts in the Middle East and South Asia for the long term.

Strategically in Asia and the Pacific, there are complex systemic challenges from unresolved territorial disputes, economic and demographic change, a little noticed ongoing arms race, a perceptible rise in nationalism, and a lack of multilateral collective security regimes in Northeast Asia. China is not currently an enemy, but their rapid military modernization and activities in the South China Sea are warning signs that cause concern. China continues to militarize territorial claims in the South China Sea and impede freedom of navigation in the Asia-Pacific region. The Army, in support of naval, air, and diplomatic efforts, will play a significant role in maintaining peaceful relations with a rising China. Meanwhile, North Korean nuclear and missile developments, in combination with routine acts of provocation in the Demilitarized Zone, continue to pose an imminent threat to regional security in Northeast Asia. The Army's assigned and rotational forces in the Republic of Korea, Japan, and throughout the Asia-Pacific region today provide a deterrent and contingency response capability that strengthens defense relationships and builds increased capacity with our allies. We must sustain and improve that capability to execute our national strategy to rebalance to the Asia-Pacific. In short, the conditions for potential conflict in Asia, as in Europe, are of considerable concern and our Army has an important role to prevent conflict and if conflict occurs, then to win as part of the Joint force.

Politically, socially, economically, and demographically, Africa's potential for positive growth is significant. Realizing this potential depends on African governments' ability to provide security and stability for their people against terrorist groups such as the Boko Haram, al-Shabaab, and al-Qaeda in the Islamic Maghreb as well as the Islamic State of Iraq and the Levant in Libya. Army forces partner with ministries of defense to develop and shape the environment and establish strategic frameworks that employ forces, build professional military institutions, and partner with European Allies to achieve shared strategic objectives.

In Central and South America, criminal gang and drug trafficking activities have wrought devastating consequences in many of our partner nations, degrading their civilian police and justice systems, corrupting their institutions, and contributing to a breakdown in citizen safety. Our annual multinational training exercises with our partners promote regional cooperation and enhance readiness of partner nation military forces. To date, we have active partnerships with defense and security forces from 26 nations in the Caribbean, Central America, and South America.

Today, state and non-state actors are destabilizing major regions of the world by combining conventional and irregular warfare with terrorism. Acts of aggression also occur through surrogates,

cyber and electronic systems, organized criminal activity, and economic coercion. These groups mobilize people, resources, and sophisticated modern weapons in unconventional ways that enable hostile actors to be more agile than traditional militaries. Since these advantages are low cost, it is likely this form of conflict will persist well into the future and our Army must adapt.

The U.S. Army, as the principal land force of a global power, does not have the luxury of preparing to fight only one type of enemy, at one time, in one place. We cannot forecast precisely when and where the next contingency that requires Army forces will arise. However, history indicates that the next contingency will likely require a commitment of conventional and unconventional forces to conduct operations of significant scale and duration to achieve strategic objectives. If a major crisis occurred today, the Army would likely deploy all uncommitted forces—from all components—into combat on very short notice. Therefore, the readiness of the Army is key to the security of the Nation. Unfortunately, less than one-third of Army forces are at acceptable readiness levels to conduct sustained ground combat in a full spectrum environment against a highly lethal hybrid threat or near-peer adversary. The risk of deploying unready forces into combat is higher U.S. casualty rates and increased risk to mission success. To mitigate this risk, the Army will continue to prioritize readiness to reverse declines from the past 15 years of continuous combat and reduced resources. We welcome continued Congressional support in this effort.

The Foundation of America's Defense

Fundamentally, America's Army protects the Nation by winning wars as part of the Joint Force. As the Nation's principal land force, the Army organizes, trains, and equips forces for prompt and sustained campaign-level ground combat. The Army is necessary to defeat enemy forces, control terrain, secure populations, consolidate gains, preserve joint force freedom of action, and establish conditions for lasting peace. To do the core tasks globally against a wide range of threats, the Army must have both capability and capacity properly balanced. Although important, it is not just the size of the Army that matters, but rather the right mix of capacity, readiness, skill, superior equipment, and talented Soldiers, which in combination, are the key to ground combat power and decision in warfare.

Today's Army maintains significant forces stationed and rotating overseas that provide a visible and credible deterrent. However, should war occur, we must terminate the conflict on terms favorable to the United States—this requires significant ready forces and the operational use of the Army National Guard and Army Reserve. Only the Army provides the President and the Secretary of Defense the ability to rapidly deploy ground forces, ranging in decisive ground capabilities from Humanitarian Assistance and Countering Terrorism to high-end decisive operations. Moreover, the Army conducts these operations in unilateral, bilateral, or coalition environments across the range of

conflict from unconventional warfare to major combat operations. In the end, the deployment of the American Army is the ultimate display of American resolve to assure allies and deter enemies.

While the Army fights alongside the Navy, Air Force, Marines, Coast Guard, and our allies, the Nation also relies on a ready Army to provide unique capabilities for the Nation's defense. Unique to the Army is the ability to conduct sustained land campaigns in order to destroy or defeat an enemy, defend critical assets, protect populations, and seize positions of strategic advantage. Additionally, as the foundation of the Joint Force, the Army provides critical capabilities—command and control, communications, intelligence, logistics, and special operations—in support of Joint operations. In short, a ready Army enables the Nation to deploy ground forces in sufficient scale and duration to prevent conflict, shape outcomes, create multiple options for resolving crises, and if necessary, win decisively in war.

Ready to Fight Tonight

The Army's primary focus on counterinsurgency for the last decade shaped a generation of Army leaders with invaluable skills and experiences. Nonetheless, this expertise comes at a cost. Today, most leaders of combat formations have limited experience with combined arms operations against enemy conventional or hybrid forces. Moreover, the current operational tempo and changing security environment continues to place significant demands on Army forces, stressing our ability to rebuild and retain combined arms proficiency. The Army currently provides 40% of planned forces committed to global operations and over 60% of forces for emerging demands from Combatant Commanders.

The four components of readiness—manning, training, equipping, and leader development—describe how the Army prioritizes its efforts to provide trained and ready forces ready to fight and win our Nation's wars. Even though investing in readiness takes time and is expensive, the result ensures that our Soldiers remain the world's premier combat land force.

The first component of readiness, manning, is about people—the core of our Army and keystone to innovation, versatility, and combat capabilities. Unlike other Services that derive power from advanced platforms, the collective strength of the Army is people. America's Army must recruit resilient, fit people of character and develop them into quality Soldiers. After recruitment, the Army develops men and women into competent Officers, Non-Commissioned Officers, and Soldiers who possess combat skills and values essential to the profession of arms. Unfortunately, in order to meet Regular Army end strength reduction requirements, the Army has involuntarily separated thousands of mid-career Soldiers. While numbers are not the only factor, end strength reductions below the current plan will reduce our capability to support the National Military Strategy. Additionally, manning requires an appropriate mix of forces across the Army—Regular Army, Army National Guard, and

the Army Reserve—to accomplish our National military objectives. To support Joint Force commitments worldwide over the last 15 years, the Army increased its operational use of the Army National Guard and the Army Reserve. We will continue this trend as we draw down the Regular Army. With the support of Congress, we can maintain the appropriate force mix capable of conducting sustained land combat operations worldwide with increased operational use of the Army National Guard and Army Reserve.

To win on the battlefield, the Army must sufficiently resource training—the second component of readiness—to provide sufficient combat ready units in a timely manner. Building readiness from the individual Soldier to collective units across multiple echelons is time intensive. Moreover, a ready unit is not only prepared in the classroom; it is prepared by conducting rigorous and repetitive training under intense pressure and realistic battlefield conditions. Training at the highest level, the kind the Army conducts at combat training centers, brings all elements of the force together to practice firing, maneuver, and leader decisions against a skilled and determined enemy in all environmental conditions. In FY16 and FY17, the Army has programmed 19 combat training center rotations, giving Soldiers and leaders intensive combined arms maneuver experiences in anticipation of future combat. Key to success of the combat training center exercises is preparing at home station. Both combat training center exercises and home station training have declined in the past 15 years. Ultimately, training is the most essential aspect of readiness and we must rapidly improve this area. Therefore, we request funding for training that will enable our Soldiers to succeed.

A trained army requires modern equipment to win—the third component of readiness. An unintended consequence of the current fiscal environment is that the Army has not equipped and sustained the force with the most modern equipment and risks falling behind near-peers. Instead, funding constraints forced the Army to selectively modernize equipment to counter our adversary's most significant technological advances. While we are deliberately choosing to delay several modernization efforts, we request Congressional support of our prioritized modernization programs to ensure the Army retains the necessary capabilities to deter and if necessary, defeat an act of aggression by a near-peer.

The fourth component of Army readiness is leader development. As stated in the 2015 National Military Strategy, "Military and civilian professionals are our decisive advantage." The Army is committed to build leaders of character who are technically and tactically proficient, adaptive, innovative, and agile. It takes time to develop Soldiers who can successfully lead, train, and equip a unit for combat. Leader development starts with a framework of formal training coupled with professional education and operational assignments. Professional Military Education serves as the principal way leaders combine experiences gained during operational assignments with current and

emerging doctrinal methods in preparation for combat. As such, we have re-established the requirement to have our leaders complete military education prior to promotion. Ultimately, predictable funding provides the facilities and faculty that develop Army leaders who provide the Nation an advantage that neither technology nor weapons can replace.

The deliberate decision to prioritize readiness while reducing end strength and decreasing funding for modernization places the Army in a readiness paradox: devoting resources to today's readiness invariably decreases investments for future readiness. While the Army prefers investments for current and future readiness, the security environment of today demands readiness for global operations and contingencies. We request the support of Congress to fund Army readiness at sufficient levels to meet current demands, build readiness for contingencies, and understand the mid and long term risks.

Strengthening Army Readiness

Before the Army can significantly increase readiness, there must be an infrastructure to support Army manning, training, equipping, and leader development. Army readiness occurs on Army installations—where Soldiers live, work, and train. Installations provide the platform where the Army focuses on its fundamental task—readiness. The Army maintains 154 permanent Army installations, and over 1100 community-based Army National Guard and Army Reserve Centers worldwide. Regrettably, we estimate an annual burden of spending at least \$500M/year on excess or underutilized facilities. In short, smaller investments in Army installations without the ability to reduce excess infrastructure jeopardizes our ability to ensure long-term readiness. To continue the efficient use of resources, the Army requests Congressional authority to consolidate or close excess infrastructure.

As we spend taxpayer's dollars, the Army makes every effort to achieve the most efficient use of resources and demonstrate accountability. The Army is conducting a 25% headquarters personnel reduction to minimize the impact of our end strength reductions to our combat formations. These headquarters personnel reductions and future reductions will reduce authorizations for Soldiers and Civilians at a comparable rate.

The Army is also reviewing the recommendations of the National Commission of the Future of the Army. After a thorough assessment, we intend to implement recommendations that increase Army readiness, consistent with statute, policy, and available resources. Implementation of any recommendation will include the coordinated efforts of the Army's three components: the Regular Army, the Army National Guard, and the Army Reserve. The Army may request the support of Congress to reprogram funding and, if needed, request additional funds to implement the commission's recommendations.

In addition to the recommendations of the National Commission of the Future of the Army, the size and mix of Army forces relates to the capabilities required in the 2015 National Military Strategy. To respond to global contingencies or domestic emergencies, the Army has 37 multicomponent units—units that have members of the Regular Army, Army National Guard, and the Army Reserve. Multicomponent units strengthen Army readiness by training together today and if needed, fighting together tomorrow.

The Army has excelled in providing trained and ready forces for combatant commanders across a wide array of missions for the past 15 years of war. This creates the impression we are ready for any conflict. In fact, only one-third of Army forces are at acceptable combat readiness levels, a byproduct of near continuous deployments into Iraq and Afghanistan. To address this readiness shortfall, the Army has redesigned our force generation model to focus on Sustainable Readiness: a process that will not only meet combatant commander demands, but will sustain unit readiness in anticipation of the next mission. This process synchronizes manning, equipping, training and mission assignments in such a way to minimize readiness loss and accelerate restoration of leader and unit proficiency. Designed for all three components and all types of units, our objective within current budget projections is to achieve two-thirds combat readiness for global contingencies by 2023. But, we will do everything possible to accelerate our progress to mitigate the window of strategic risk.

Modernization: Equipped to Fight

While rebalancing readiness and modernization in the mid-term, from 2020 to 2029, the Army will not have the resources to equip and sustain the entire force with the most modern equipment. Informed by the Army Warfighting experiments, the Army will invest in programs with the highest operational return and we build new only by exception. We will delay procurement of our next generation platforms and accept risk to mission in the mid-term. The Army Equipment Modernization Strategy focuses on the five capability areas of Aviation, the Network, Integrated Air Missile Defense, Combat Vehicles, and Emerging Threats.

The Army will resource the first capability area, **Aviation**, to provide greater combat capability at a lower cost than proposed alternatives. Key to the success of this initiative is the divestment of the Army's oldest aircraft fleets and distributing its modernized aircraft between the components. The Army will upgrade the UH-60 Black Hawk fleet and invest in the AH-64 Apache. These helicopters provide the capability to conduct close combat, mobile strike, armed reconnaissance, and the full range of support to Joint operations. Though aviation modernization is a priority, reduced funding caused the Army to decelerate fleet modernization by procuring fewer UH-60 Black Hawks and AH-64 Apaches in FY17.

Second, the Army must maintain a robust **Network** that is not vulnerable to cyber-attacks. This network provides the ability for the Joint Force to assess reliable information on adversaries, the terrain, and friendly forces. This information provides a decisive advantage by enabling the Joint Force commander to make accurate and timely decisions, ultimately, hastening the defeat of an adversary. Key investments supporting the network are the Warfighter Information Network-Tactical; assured position, navigation, and timing; communications security; and defensive and offensive cyberspace operations.

The Army will invest in the third capability area, **Integrated Air Missile Defense**, to defeat a large portfolio of threats, ranging from micro unmanned aerial vehicles and mortars to cruise missiles and medium range ballistic missiles. The Army will support this priority by investing in an Integrated Air and Missile Defense Battle Command System, an Indirect Fire Protection Capability, and the Patriot missile system.

Army improvements to **Combat Vehicles** ensure that the Army's fourth modernization capability area provides future Army maneuver forces an advantage over the enemy in the conduct of expeditionary maneuver, air-ground reconnaissance, and joint combined arms maneuver. Specifically, the Army will invest in the Ground Mobility Vehicle, Stryker lethality upgrades, Mobile Protected Firepower, and the Armored Multi-Purpose Vehicle.

Finally, the Army will address **Emerging Threats** by investing in mature technologies with the greatest potential for future use. The Army will invest in innovative technologies that focus on protecting mission critical systems from cyber-attacks. To this end, the Army will invest in innovative technologies focused on active protection systems (both ground and air), aircraft survivability, future vertical lift, directed energy weapons, cyber, and integrated electronic warfare.

The Army modernization strategy reflects those areas in which the Army will focus its limited investments for future Army readiness. However, our implementation of the strategy will fall short if we delay investment in next generation platforms. We request the support of Congress to provide flexibility in current procurement methods and to fund these five capability areas—Aviation, the Network, Integrated Air Missile Defense, Combat Vehicles, and Emerging Threats—to provide the equipment the Army requires to fight and win our Nation's wars.

We support the ongoing Congressional efforts to streamline redundant and unnecessary barriers in the acquisition process. Our adversaries are rapidly leveraging available technology; our acquisition process must be agile enough to keep pace. Aligning responsibilities with authorities only improves the acquisition process. The Army remains committed to ensuring that we make the right acquisition decisions and that we improve the acquisition process to maintain a technological advantage over adversaries and provide requisite capabilities to Soldiers.

Soldiers, Civilians, and Families: Our Greatest Asset

The Army's collective strength originates from the quality citizens we recruit from communities across America and place into our formations. We build readiness by training and developing American citizens into ethical and competent Soldiers who are mentally and physically fit to withstand the intense rigors of ground combat. Additionally, the Families of our Soldiers make sacrifices for the Nation that contribute to Army readiness and play an important part in achieving mission success. As a result of the dedication and sacrifices of Soldiers and their Families, the Army is committed to providing the best possible care, support, and services.

The Army is committed to improve access of behavioral health services. Beginning in 2012, the Army transformed its behavioral health care to place providers within combat brigades. These embedded behavioral health teams improve Soldier readiness by providing care closer to the point of need. However, the Army only has 1,789 of the 2,090 behavioral health providers required to deliver clinical care. The Army will continue to use all available incentives and authorities to hire these high demand professionals to ensure we provide our Soldiers immediate access to the best possible care.

The Army provides an inclusive environment that provides every Soldier and Civilian equal opportunities to advance to the level of their ability regardless of their racial background, sexual orientation, or gender. This year, the Army removed legacy gender-based entry barriers from the most physically and mentally demanding leadership school the Army offers—the United States Army Ranger School. To date, three female Soldiers have graduated the United States Army Ranger School. We increasingly recognize that we derive strength from our diversity, varying perspectives, and differing qualities of our people. The Army welcomes the increased opportunities to bring new ideas and expanded capabilities to the mission.

The Army does not tolerate sexual assault or sexual harassment. We are committed to identifying and implementing all proven methods to eliminate sexual harassment and sexual assault. As an example, the United States Army Cadet Command shared sexual harassment and sexual assault prevention best practices with universities and organizations nationwide. Currently, Cadet Command has 232 Army Reserve Officers Training Corps programs that have signed partnership charters with their colleges or universities. These cadets actively participate in education and awareness training on campuses that include programs such as "Take Back the Night" and "Stomp Out Sexual Assault." Cadets also serve as peer mentors, bystander intervention trainers, and sexual assault prevention advocates.

Prevention is the primary objective of the Army Sexual Harassment/Assault Response and Prevention (SHARP) program. However, when an incident does occur, the Army initiates a

professional investigation to hold the offender accountable while providing best-in-class support and protection to the survivor. Additionally, the Army performs assessments of SHARP program strategies to measure effectiveness. To increase effectiveness, the U.S. Army Medical Command ensures that every Military Treatment Facility operating a 24/7 Emergency Room has a trained and qualified Sexual Assault Medical Forensic Examiner. Our enduring commitment to the SHARP program strives to eliminate sexual assault and sexual harassment, strengthen trust within our formations, and ensure our Soldiers are combat ready.

Another program committed to keeping the faith and improving quality of life is the Soldier For Life Program. The Soldier For Life program connects Army, governmental, and community efforts to build relationships that facilitate successful reintegration of our Soldiers and their Families into communities across America. Currently, the Soldier For Life program offers support to 9.5 million Army Veterans and Soldiers. Moreover, the Army plans to support the transition of 374,000 Soldiers in the next three years. In 2015, veteran unemployment in the United States was at a seven-year low and employers hired veterans at higher rates than non-veterans. Additionally, the Army distribution of FY15 unemployment compensation for former service members was down 25%, \$81.8 million, from FY14. The Army seeks to continue the positive trends for Army Soldiers, Family Members, and Veterans in 2015. Ultimately, this program provides a connection between the Soldiers and the American people.

The Army's most valuable asset is its people; therefore, the well-being of Soldiers, Civilians, and their Family members, both on and off-duty remains critical to the success of the Army. Taking care of Soldiers is an obligation of every Army leader. The Army focuses on improving personal readiness and increasing personal accountability. Programs like "Not in My Squad," first championed by Sergeant Major of the Army Daniel Dailey, empower Army leaders to instill Army values in their Soldiers and enforce Army standards. Our Soldiers and Civilians want to be part of a team that fosters greatness. It is through personal conduct and proactive leadership that we seek to improve on a culture of trust that motivates and guides the conduct of Soldiers. The American people expect and continue to deserve an Army of trusted professionals.

The Army's Budget Request

The Army requires sustained, long term, and predictable funding. We thank Congress for the Bipartisan Budget Act of 2015, which provides short-term relief and two years of predictable funding. However, funding levels are not keeping pace with the reality of the strategic environment and global threats. Moreover, while the current budget provides predictability, it does so at funding levels less than envisioned by the President last year. In short, the FY17 Army Budget base request of \$125.1 billion is \$1.4 billion less than the FY16 enacted budget of \$126.5 billion. As a result, the Army will

fully fund readiness, reduce funding for modernization and infrastructure maintenance, and continue programmed end strength reductions.

Our major goals in this budget request are to: improve readiness by fully manning in combat units, increase combat power, streamline headquarters, improve command and control, and conduct realistic combined arms training. The Army will also modernize in five capability areas: Aviation, the Network, Integrated Air Missile Defense, Combat Vehicles, and Emerging Threats. Additionally, the Army will ensure the recruitment and retention of high quality Soldiers of character and competence. The FY17 budget also provides adequate funding so that we can provide Soldiers, Civilians, and their Families the best possible quality of life. Absent additional legislation, the Budget Control Act funding levels will return in FY18. This continued fiscal unpredictability beyond FY17 is one of the Army's single greatest challenges and inhibits our ability to generate readiness. This will force the Army to continue to reduce end strength and delay modernization, decreasing Army capability and capacity—a risk our Nation should not accept.

Conclusion

The Army's FY17 Budget prioritizes readiness while reducing our end strength and delaying modernization. Prioritizing Army readiness ensures the Joint Force has the capability to deter, and when required, fight and win wars in defense of the United States and its national interests. To fulfil this obligation to the Nation, the Army requires predictable and sufficient funding to build readiness, maintain Army installations, modernize equipment, and provide Soldier compensation commensurate with their service and sacrifice.

The Nation's resources available for defense are limited, but the uncertainties of today require a ready force capable of responding to protect our national interests. An investment in readiness is the primary means that allows the Army to meet the demands of our Combatant Commanders and maintain the capacity to respond to contingencies worldwide. By building readiness, the Army provides the Joint Force the ability to respond to unforeseeable threats, decisively defeat our enemies, and advance the Nation's national security interests. As a result of our current fiscal uncertainty, the Army prioritizes today's readiness and accepts risk in modernization, infrastructure maintenance, and sustained end strength in the mid and long term. We request the support of Congress to fund Army readiness at sufficient levels to meet current demands, build readiness for contingencies, and understand the mid and long term risks. Ultimately, the American people will judge us by one standard: that the Army is ready when called upon to fight and win our Nation's wars.

Mr. FRELINGHUYSEN. Thank you, General Milley.
Vice Chair Kay Granger.

NATIONAL COMMISSION ON THE FUTURE OF THE ARMY

Ms. GRANGER. Thank you both for being here and for what you are going to do as well as what you have done. The report, General Milley, the report on the National Commission on the Future of the Army was released after you finalized your budget request. So what changes do you see that way? How do you plan to implement the recommendations of the report? And what challenges do you see in implementing them.

General MILLEY. Thank you, Congresswoman.

We work closely with the Commission. They interviewed lots of commanders, et cetera. So we are very pleased, actually, with that Commission report. So one of the things we have done—we are reviewing it right now, the 63 recommendations. And we have got a very deliberate and rigorous process with a council of colonels and a set of general officer boards that are reviewing it all. And they will come on a weekly basis, each of those recommendations in piece parts, are coming to the Secretary and me. But also Frank Grass is on the decision group that we formed; Tim Kadavy, who is the head of the National Guard, Army National Guard; and also Jeff Talley, who is the head of U.S. Army Reserve, along with our Vice Chief of Staff of the Army. So collectively that group of people, the Secretary through the Vice, we will receive briefings and make decisions on our recommendations to go forward. Congress activated the Commission. All those recommendations will come back to Congress through the Secretary of Defense on what we think of those 63 that we can do.

At this point, preliminary outputs from us, of the 63, it is, round figure, call it about 50ish or so, that we think are very easy to implement, at no cost to implement, or we have already begun implementation and have been doing it for a while. So there is about, call it 50ish, that we think are good. There is a couple that we think are not worthy of pursuing. And then there are about 10 or 15 of those that are significant, we think warrant detailed analysis, and they are expensive. And we will have to come back to you with our thoughts on what those are.

Ms. GRANGER. Thank you very much. I will save my other questions for another round.

Mr. FRELINGHUYSEN. Mr. Israel.

PROFESSIONAL MILITARY EDUCATION

Mr. ISRAEL. Thank you, Mr. Chairman.

General, thank you for being here.

Mr. Secretary, great to see you again. Enjoyed our service together in this institution.

Mr. Secretary, in your testimony you noted that a ready Army is a manned, trained, equipped, and well-led force. And I agree with you completely. It seems to me that another element of readiness, and I know that you agree with this, and I know General Milley agrees with this based on conversations, is an Army whose people are well educated, that they have certain skills and abilities based on professional military education, which is sensible, not

only in an investment in the minds of our service men and women but also as a matter of just good smart retention and recruitment policy.

General, I was at West Point several years ago, and they had assembled for me a panel of captains and majors who had been deployed to theater, came back, received their master's degrees in international relations at Columbia University, got deployed again, and every single one told me they were much more effective warriors having a master's degree on their second deployment versus their first deployment. And that was part of a deal that they agreed to continue their service for an additional—I am not sure how many years it was—but additional service to the Army in exchange for that education.

So I would like both of you to comment on the value of professional military education, whether you believe that our current investments are covering what we need to be doing. Are there disincentives that are getting in the way of a track in professional military education? And, finally, I have not yet read the entirety of the National Commission on the Future of the Army, but did the Commission consider at all the issue of professional military education, how we ought to be addressing it in the future? And if you would both comment on those questions, I would be grateful.

Mr. MURPHY. Congressman, it is great to be back with you. And thank you so much. And you have been a champion for not only West Point but for Army. We appreciate everyone. I think you know my background. I joined the Army at 19 and was lucky enough to be one of those professors at West Point. And I was there when 9/11 happened and then deployed for two combat deployments right afterwards as an Army captain.

The great thing about West Point, but overall what professional military education, it is that West Point truly is like the Athens and Sparta of our military in that we pursue the strongest warriors but also those who have intellectual rigor. And that vigor is what is needed to lead troops, because they need to lead them in the right way.

The investment this past year in this budget, this 2017 budget, is \$708 million. And that's a lot of money for the American taxpayer. But when you have an Army right now at over one million soldiers that is spread as thin as possible with this OPTEMPO against ISIS, against an aggressive Russia, against North Korea and doing what we need to do, you know, we had to make some obviously hard choices in budgets. You can't do everything. And we have doubled down on readiness. And that is combat readiness for our troops and our units. But make no mistake. Those soldiers, whether it is at West Point or the Sergeants Major Academy or elsewhere, that are going through Army University and other things for both enlisted and officers, they are getting the critical skill sets needed to be leaders of character with that intellectual vigor that I mentioned earlier needed right now during these challenging times to lead soldiers, you know, in areas that are not exactly easy to operate in.

Mr. ISRAEL. Thank you.

General.

General MILLEY. Thanks, Congressman.

A couple of things. One of the things that I think distinguishes the United States military from almost every other military in the world is the adaptability of our officers, noncommissioned officers, and soldiers. And we are a product of our society. We are a product of our culture. And one of the things that I think is really important to understand about American soldiers is that we emphasize how to think about a problem, not what to think. Many, many armies train people what to think. You know, if confronted with this situation, execute 1, 2, 3, steps 4, 5, 6. We don't do that. We train people and we emphasize how to think, critical thinking, because ultimately we want the leadership to be adaptive and agile in a very complex environment. So you have got to figure out how to solve problems. So to that end, the Army education program writ large for enlisted and officers is multitiered. It is ad echelon. It is wide and deep. And it is probably—I don't know the advanced education programs for all of the commercial world out there, but I would argue that the United States Army's education program would match anything in the world today in any commercial industry anywhere. We take soldiers, and I will use officers as an example, train them and educate them at the lieutenant level after they graduate from university or West Point. Then they go back a few years later, after they have had some operational time and they get another career course as a captain. They come back out of the operational force; they go back yet again to Leavenworth, and they go to the staff college. They come back out, and they go back yet again to the War College as a full colonel. And then as the general officer corps, we have a series of educational—continuing educational—programs. And that is the norm.

Now, what you are talking about is advanced civil education where we send people to graduate school. We send a considerable amount of our officers to graduate school. It is very valuable. I am personally a participant in some of that stuff. And what is really important is that we get officers that come out of there that are critical thinkers and able to adapt in a complex world. So that is the end state we want. We want that product, and to date, we are very happy with it.

As we go into the years ahead, we want to expand those programs as part of our talent and management and not contract them. We want to expand them, because we find that they are very valuable, and the environments we are going into are increasingly complex. So they are very valuable. We fully support it.

Mr. ISRAEL. Well, I would appreciate an opportunity to get with you separately to talk about how we can expand that and how we can contract some of the disincentives that occur to professional military education.

[CLERK'S NOTE.—The Army G-1 offers the Director, Talent Management Task Force (Office of Deputy Chief of Staff, G-1) to meet with Representative Israel and other Members of this Committee to discuss talent management and answer all questions.]

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Israel.

Mr. Crenshaw.

IMPROVED GRAY EAGLE PROGRAM

Mr. CRENSHAW. Thank you, Mr. Chairman. And thank you both.

Mr. Secretary, let me ask you about the Improved Gray Eagle program. I know that we had the Gray Eagle and then got the Improved Gray Eagle. And it is obviously new and improved. And this committee recognized that, and I guess, last year, we supported 17 of those new Improved Gray Eagles. And as I understand it, there is still a need for another 12. But it was kind of demonstrated, but it is not in the budget this year. And I just wondered why you decided not to include that in this year's budget. Is that kind of a budget restraint? Are we going to see that unfunded priority? Tell us a little bit about the decision that goes into that.

Mr. MURPHY. Sure, Congressman, and I am going to have the chief add some, as well, comments. But, Congressman, we had to make some tough decisions in this budget. When we have, as I mentioned, the threats that face the American family right now in our Nation, we had to make some tough—and aviation, obviously, had to take a hit. And we had to divest, as you know, pass with the Kiowa warrior and other platforms of our aviation platforms.

Be that as it may, we have made significant investments in aviation. There are some—about \$400 million of that divestment in the aviation program have come under the Gray Eagle and other similar programs. But we felt that it was filled up, meaning we got the assets that we needed right now to execute what was in passing year—in past budgets. But I would like the chief to comment as well on this program.

Mr. CRENSHAW. Well, I appreciate it. And I appreciate your kind of directness, because sometimes when you—you know, obviously, you got tough choices to make. And it is easy to say: Well, this is all about national security, and it is everything we need. It is nice to hear somebody say: Look. We can't quite do everything we need to do. That means additional risk, and I am sure the general can talk about that, and I appreciate that, because we want to help you in every way we can. And we always like to get kind of the straight scoop.

So, General, can you just tell us a little bit about that maybe additional risk that we might incur, you know, by doing that. What are the—just very briefly because I better go vote. You better go vote, ma'am.

Ms. GRANGER. Yes, sir.

General MILLEY. Yeah, just briefly, we made a conscious decision to accept risk in the Gray Eagle program. We like the program. It is manned/unmanned teaming. It is an ISR asset. But we had to make some choices. So you will see it in the UFR list that we submitted to the Joint Staff and the Secretary of Defense for their review. And it will come over to Congress. But it is an important program. We think it is a valuable asset to our fielded forces. We want it. But we had to make some tough choices, as the Secretary said.

Mr. CRENSHAW. I appreciate that.

Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Crenshaw.

Mr. Visclosky.

And let me apologize to both of our witnesses today for what is obvious that we have got some votes that are causing some turmoil and disruption of this hearing. But we are so proud you are here, and we want to obviously focus on your needs and deliver for you.

Mr. Visclosky.

SEXUAL ASSAULT

Mr. VISCLOSKY. Thank you very much, Mr. Chairman.

I would like to talk about the issue of sexual assault and sexual harassment, hostile environment. We have talked about this issue for some number of years. Every year, whether it is the Army, other services, people—and I believe the witnesses are adamant about addressing the issue. And, obviously, it is a societal issue as well. But in May of 2015, in an independent study, RAND found that 14.49 percent of Active Duty women soldiers had been sexually assaulted. Almost 23 percent of Active Duty women soldiers reported experiencing a sexually hostile environment, and 23 percent were sexually harassed in 2014. And we have been talking about this issue for some number of years.

Noticed, and money isn't everything, that there is a reduction in the amount of money committed by the Army to some of these programs. And, apparently, there is great fear—the rationale as to why there are so many reports now is people feel free to come forward. But that is some years ago. But, apparently, there is still great fear about professional and social retaliation within these units. And so, despite the idea that you can now come forward, my sense is the idea that there is still not this pressure in units has not significantly dissipated. I am just in—I know you committed, but what is the Army doing to let people know this just can't keep going on?

Mr. MURPHY. Congressman, we are doing a heck of a lot. And, I mean, let me be very clear on certain things. First, this is a cancer in our society and our Army. But our Army needs to be better because we have a special trust and confidence of the American people. And we have initiatives which have been very successful, like Not in My Squad—that is led by Sergeant Major Dailey—who are getting after it at the squad level throughout our Army. Now, those results—I know you are talking about a RAND study, but the other studies and reports that have shown the good news with our progress with your initiatives, Congressman, has been incidents are going down; reports are going up. Reports are going up because women and men feel confident they can go through the chain of command and report instances that are unacceptable, that go against the very ethic of our Army of selfless service, honor, integrity.

I will say one other thing. The initiatives that we invested in over these last several years have led our Army actually to be some of the industry leaders in this regard, that college campuses, over 200, are now adopting our programs, things like special victims counsel, special victims investigators, special victims' advocates, so that they feel that not only do they have to report, but they are there throughout the process to make sure we root out these bad apples so that they will never serve again, and some of them will go to jail for a very long time.

As a former prosecutor, I prosecuted sex crimes when I was in the military, Congressman. I will tell you that it is night and day when I was in the Army 14 years ago than it is now. It is 10 times better than how it was over a decade ago.

Mr. VISCLOSKY. I would continue to encourage you.

General MILLEY. Can I make a comment, Congressman, if that's okay?

Mr. VISCLOSKY. Sure.

General MILLEY. As a, you know, commander of multiple units over the years, the focus of effort has got to be the chain of command itself. That is where good order and discipline is established. That is who has personal responsibility, legal responsibility, ethical responsibility, moral responsibility, but personal responsibility for the welfare of those they command, regardless of level. Company, battalion, brigade, it doesn't matter; you are personally responsible for that outfit. And you are personally responsible for the good order and discipline. It is clear. It has been unambiguous since 1775 and the foundation of our Army. So the nexus of solving the problem is enhancing training, educating, and holding accountable unit chains of command. It is unforgivable, unforgivable in my mind, to have sexual assault in a unit. To me it is fratricide. To me it is blue on blue. It is assaulting a fellow soldier. It is unforgivable. It has to be absolutely pursued through unit chains of command. They are doing that, and we are seeing the results of that, as the Secretary already mentioned. So chains of command I think are the key to success to me.

Mr. FRELINGHUYSEN. Will the gentleman yield?

Mr. VISCLOSKY. Yes.

Mr. FRELINGHUYSEN. Let me associate myself with Mr. Visclosky's remarks. This is obviously a commitment of every member of this committee. Many of us just got through quite a remarkable academy review process. And I have to say: You have the best of America in your ranks, whether they are on their way to West Point or whether they are at the recruiting station. And so I do want to associate myself with Mr. Visclosky's feeling. And may I say, of those that I appoint to West Point and to the Naval Academy, I have to say for the record most of those young women are far better, have their act together than a lot of the young men that I interview. And to think that they would ever be in a system where this type of situation would continue to exist, of course, is totally unacceptable. And we are very confident from what you are telling us here today that this is—you are bringing the hammer down after, obviously, giving people due process and their rights within the military justice system. Thank you for—

Mr. VISCLOSKY. Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Yes.

Ms. Granger, any questions?

Ms. GRANGER. No.

END STRENGTH

Mr. FRELINGHUYSEN. We are going to welcome the chairman of the whole committee here, Hal Rogers.

As he gets to his seat, General, I would like you to address the 12 recommendations in the National Commission of—I want you to

comment on the plan issue of end strength, the recommendations there, and why that is important, given what is happening around the world in terms of conventional military responsibility, as well as the unconventional forces that we support.

General MILLEY. Thank you, chairman. This goes—I believe the question, Mr. Chairman, is about the size of the Army, Total Army. First, let me say that the United States Army is not a small army. Right today, we are almost a million soldiers strong, broken out—and this budget takes us to an Army of 980,000 strong with 450,000 in the Active, 335 in the National Guard, and 195,000 in the United States Army Reserve. And with that size force, the question is, size force to do what? So the size of a force is only relative to the tasks that you are required to do based on the National Security Strategy, the National Military Strategy Defense Planning Guidance and other strategic documents. Our analysis says that, in my view anyway, my military analysis says that that size force, as it translates into specific capabilities, such as ground maneuver, Brigade Combat Teams, air defense, ISR, and so on and so forth, that size force is able to do the National Strategy but at a degree of risk. So the question isn't an absolute question of how many numbers; it is a question of how much risk the Nation is willing to take relative to the tasks that are charged to the military in the various strategic documents.

In my view, that risk is, for the Army anyway, for us to accomplish the tasks that we have to accomplish in the strategies, to do those tasks in accordance with the timelines that are basically laid out, and in an acceptable level of cost in terms of U.S. casualties, I think we are putting the Nation at increased risk. In a classified version, I will be happy to discuss the exact details of that risk and what level I have apportioned that risk. And I think that is well-known. I think that is well-known. And the Secretary of Defense and others have also testified to that. So, as the force gets smaller, risk increases. Having said that, we have to compensate for it by a highly ready force. So the size of the force is one factor but also the readiness of the force. So we have to compensate and mitigate with very, very high levels of readiness, high levels of responsiveness, and high levels of technological capabilities. The Secretary of Defense's guidance to us was to buy us capability over capacity. In other words, skills over size. Having said that, quality is not just based on that. Quantity has a quality all its own, as the saying goes. So the size of the force, the end strength, and the capabilities associated with it, the number of brigades, number of enablers, et cetera, is a concern. And it is really reflective of how much risk we are willing to take. And I have advised on what I think my military judgment is on that risk to the appropriate authorities.

Mr. FRELINGHUYSEN. Thank you, General.

Pleased to recognize the full chairman of the committee, the gentleman from Kentucky, Mr. Rogers.

THREATS

Mr. ROGERS. Thank you, Mr. Chairman.

And, gentlemen, welcome to the subcommittee. Your first time testifying before this group. We welcome you. Wish you well.

As you well know, the threats facing our homeland and our troops grow more complex and unpredictable with each passing day: China seeking to build itself into a maritime power, purchasing aircraft carriers, submarines, amphibious assault capabilities, making territorial claims in the South and East China Sea areas. Russia continues to aggressively pursue its own interests, threatening the sovereignty and security of several states in the region, including the Ukraine and others. Middle East devolving further and further into chaos; women, men, children forced to flee their home countries to escape relentless brutality of ISIS and the Assad regime as well as Russian fighter planes.

COMBAT AVIATION BRIGADES

With so much uncertainty and turmoil in so many different parts of the world, I remain concerned about our ability to respond to complex challenges in multiple regions at the same time as our force structure continues all the while to decline. According to the current plan, Army is set to reach an Active Duty end strength of 460,000 by the end of fiscal year 2017 and will endure a reduction of another 10,000 troops by 2018. You are planning to cut yet another combat aviation brigade over the next 3 years, leaving us with just 10 CABs in the Active Force.

The first CAB eliminated was in my home State of Kentucky. Just last year, the Army deactivated the 159th CAB at Fort Campbell, which resulted in the loss of 2,500 personnel at that base. Nevertheless, the soldiers at Fort Campbell have weathered this unwelcome loss, are as ready and equipped as ever, and are deploying in the fight against ISIS this spring. The headquarters of the 101st Airborne Division deployed to Iraq just last month. Soldiers from the 2nd BCT will be deploying in May to join them. They have our support. And we wish them a safe return home.

Responding to threats from our enemies, each with their own unique set of capabilities, is made increasingly difficult in light of these constraints in personnel and resources. Your charge is to maintain our ability to defeat these threats to our homeland and our national interests in any circumstance. And we know this is no easy task. We acknowledge the hardships rendered by the increasing demands on our soldiers. I look forward to having a thoughtful conversation about how this committee can equip you to lead in this very uncertain environment. This committee has every confidence in your ability to guide our troops in the midst of unprecedented challenges and tight budget constraints. You have our support. And we know that you will do what it takes to ensure the safety of our soldiers and our homeland. And we look forward to hearing your testimony today.

I yield.

Mr. FRELINGHUYSEN. Thank you very much, Mr. Chairman.

Ms. Kaptur.

CAPACITY OF U.S. ARMY VERSUS RUSSIA

Ms. KAPTUR. Thank you very much, Mr. Chairman. Welcome, General. It is good to see you again. And, obviously, acting Secretary the Army, our dear colleague, Mr. Murphy, Patrick Murphy, great to see you here today.

I am going to ask the general a question about the capability of our U.S. Army versus the Russian Army. In sum, how do you look at these two capacities?

General MILLEY. Right now, the Russian military, not just their Army but military writ large, has embarked upon a program of modernization that began at the beginning of the century sometime; I will peg it at around 2003, 2004, 2005, something like that. What they did was they saw what happened to the army of Iraq as a result of our capabilities in 2003. They went to school on our capabilities, and then they began a very rapid modernization. So they are reorganizing. They are bringing on new equipment. And this is not just army, across their entire military, and they brought in new doctrine.

Their military today is significantly better than it has been since at least the fall of the Berlin Wall. They are quite capable. And they have got significant capabilities, which are—I prefer not to go into specifics here—but just to say that they are significantly more capable than they have been at any time in the last 25 years.

RUSSIAN PROPAGANDA EFFORTS IN UKRAINE

Ms. KAPTUR. I am very interested in their propaganda campaign across Ukraine and adjoining nations. What is the Army doing to counter organized Russian propaganda efforts in Ukraine, Eastern Europe and the Baltics, as well as even this country? And what might we do to help you?

General MILLEY. The Russians are definitely being very aggressive in information space and through all means of national power, but specifically one of them is information that they are using very aggressively throughout Eastern European but not just Eastern European; in other parts of the world.

What are we doing about it? General Breedlove, as you know, is the Commander of United States EUCOM and the SACEUR, Supreme Allied Commander Europe. He has a comprehensive strategy—theater strategy—that he has worked up. And we are part of that. And, again, I would ask to defer any specifics to a classified session. But we, the Army, are contributing to his overall campaign plan in the information space and, more broadly, in other domains as well.

NATIONAL GUARD STATE PARTNERSHIP PROGRAM

Ms. KAPTUR. Thank you. And I would like to ask for—in relation to the National Guard State Partnership Program, what additional authorities would you need to expand the SPP mission to include assistance to Ukraine, countermessaging efforts, helping with internally displaced persons, humanitarian mission, and, obviously, joint exercises?

General MILLEY. Yeah. So what we are doing broadly—and it is in this budget; it is in the Secretary of Defense's budget—with the European Reassurance Initiative, which he has increased 400 and some-odd times from the previous submission. The whole purpose of that is to get after what you are talking about relative to Russian aggression in Eastern Europe. We are taking it seriously. We want to get after it. So we are rotating not just State Partnership Program, but it is broader than that. We are going to rotate heel

to toe a conventional brigade over there from the Active Force. We have already got the 173rd, and we have got the cavalry regiment in place there. And we are cycling through other capabilities and enabler type capabilities. In addition to that, we want to put prepositioned stocks of equipment up to division, division minus size, and we will put that over there. And then what we are asking for is additional 12304 moneys in this budget in order to operationalize the Guard. The Guard is a very key component of the entire program, not only in Europe but elsewhere in the world. But specific to Europe, they are fundamental. These State Partnership Programs have proved to be hugely valuable because they have got linkages and connective tissues into all of these armies of Europe. So it is a very valuable program. We have asked for additional moneys so we can get more man years to deploy the National Guard. It is not a question so much of authorities. It is a question of being able to fund National Guard and Active Duty for these exercises and rotational deployments.

And I guess the last thing I would said is we have got the 4th Division out of Fort Carson, Colorado, and part of their division headquarters over there also as an additional command and control know how to do that. But the whole series of initiatives are important, and we will ask for your continued support of those.

Ms. KAPTUR. I want to thank the chairman for his support of the upgrades and procurement for the Abrams tank. We had to fight that battle in this committee. They said we would never have another land war; we would never need anything like this again. And I appreciate what you have included in your budget request, General and Secretary, in that regard.

Mr. FRELINGHUYSEN. Thank you, Ms. Kaptur.

Mr. Womack.

NATIONAL COMMISSION ON THE FUTURE OF THE ARMY

Mr. WOMACK. Thank you, Mr. Chairman.

Great to see my friend acting Secretary Murphy. Worked with him on some other matters. And great to see you here and appreciate your service.

General Milley, always great to see you.

And let me just begin by saying, as I have noted previously, the understanding of the jointness between our Army team, that being the Army, the Reserves, and the National Guard, I think you have got a great handle on that, and I also appreciate that line of thinking on the State Partnership Program. Obviously, I am a huge fan. And while it is important that they are helping us develop relationships in other countries, very important countries, let's not forget also that the skill sets that are being improved by having our National Guard and reservists on duty in a lot of different key skill sets is pretty important too. And so I am grateful for that.

I think Ms. Granger, before I came in, had already started the discussion. But it has been recently reported you have included several recommendations from the Commission in your unfunded priorities list. Can you give us an idea which Commission recommendations are included in the unfunded priorities list?

General MILLEY. We—I shouldn't say "we." I have submitted the UFR list up through the Mr. Chairman and the Secretary of De-

fense, and they are having an opportunity to review that right now. But your higher dollar cost items that are referred to in the Commission, specifically the aviation initiative. The aviation initiatives that are being recommended we think are sound and solid and make good strategic sense and operational sense. But they are very expensive to execute. So we will be hard-pressed to execute those initiatives in full without additional moneys. And so we put that into the UFR. That is the biggest one.

Mr. WOMACK. There were—I can't remember how many—recommendations. You have already indicated that there are several that are really good recommendations that are being massaged. But I think you said the number 13 that are too costly that—or bad ideas. I don't know.

General MILLEY. There is a couple that—Congressman, there is a couple that I think my recommendation to the Secretary of the Army is that there is a couple of them that are probably not worthy of further pursuit. One of them is the deactivation of an Infantry Brigade Combat Team that is in there as a means of paying for the aviation. I don't think that is a good tradeoff. I think that is a bad tradeoff. If you look at what capabilities are being demanded by combatant commanders today, and that is not including some contingency and career with Russia or some other country. Just today, an Infantry Brigade Combat Team is one of the last things I would want to get rid of. As a matter of principle, when it comes to force structure, to me, the very last thing you want to give up is your foxhole strength, given it is your tooth-to-tail ratio. So your infantry, your armor, your combat aviation, your combat engineers, Special Forces: these are the units that are out there closing with and destroying the enemy. They are doing the core, the c-o-r-e, tasks of an army. That is the last capability that I want to give up. If I have nothing else in the Army, that is what I want. If you don't have infantry, artillery, armor, attack helicopters, Special Forces, then you don't have an army. We can have all this other stuff, but if you don't have that, you don't have an army. So the very last thing is my strong recommendation to the Secretary of Army and Secretary of Defense, the last thing to give up are combat organizations. And we have got to look hard at scrubbing the books and making some really difficult tradeoffs. But that is one of them, which was that recommendation about deactivating an IBC. I don't think that is a worthy idea and shouldn't be pursued any further.

Mr. WOMACK. And I just want to give the acting Secretary an opportunity to throw in on that subject if he would prefer.

Mr. MURPHY. Congressman, I would love to throw in on it, because I think you know where I stand on it. There is no doubt that we have to be a Total Army. This is an army that is comprised—the majority—if you look at the U.S. Army soldier—and that is a profile of that—most likely he is in the Guard or Reserve, 53 percent of our soldiers in the Guard and Reserve. So we have to act like one team. And we haven't been able to do these 15 years of continuous operations in Iraq and Afghanistan and elsewhere without the Guard and Reserve. So the Milley-Murphy team is absolutely: Meet them from the front to make sure that we get that message out there.

Mr. FRELINGHUYSEN. You guys have got your stuff together. We like it.

General MILLEY. My mother's name is Murphy. We are actually cousins.

Mr. WOMACK. You are probably going to trademark that now.

Mr. MURPHY. But, Congressman, I mean, whether it is the SPP program in Arkansas or Guatemala, or, Ms. Kaptur, you know, in Hungary and Serbia, where the Ohio National Guard is, or in Pennsylvania, where it is Lithuania, these programs are force multipliers for our partners. We can't do these engagements alone. You know, it just can't be—this Russian aggression which you are seeing right now, it just can't be the United States standing there by itself and the America taxpayer. That is why these programs are vitally important. They give confidence and assurance to our allies that they will not stand alone, that we will be there shoulder to shoulder with them to face down that Russian aggression.

Mr. FRELINGHUYSEN. Well, thank you, Mr. Womack, and you obviously include Kentucky and Maryland in those numbers too.

Chairman Rogers and then Mr. Ruppersberger.

AVIATION REDUCTIONS

Mr. ROGERS. Thank you, Mr. Chairman.

The President's budget claims to prioritize the modernization, quote, of the Army's helicopter fleet. Yet opts to cut the aviation procurement account by 35 percent, 2.1 billion cut. The Army's requesting only 52 Apaches, down from the 64 of the current year. Additionally, the Army is funding 37 fewer Blackhawks, 17 fewer Chinooks.

Mr. Secretary, we certainly understand the challenges Army is facing to fund readiness within the budget caps. But it is difficult to understand why aviation has been so heavily targeted. The Army consistently tells us how critical aviation is to its ability to fight and participate in joint missions.

What is the rationale for these inordinate cuts to Army aviation?

Mr. MURPHY. Mr. Chairman, as I said earlier, these are very, very difficult decisions. And when we look at what is going on in Iraq right now and Syria against ISIS, you know, the intent to taking back Mosul, you know, and the need to have aviation assets to do that, you know, pending requests from Iraq, the Iraqi Government, shows you an example of how important aviation is. But, Mr. Chairman, you know, I left this committee and this Congress 5 years ago. And when I left 5 years ago, the budget for the Army was \$243 billion. We are asking right now for a base budget of \$125.1 billion. Aviation is our most expensive asset and one of our most, if not the most, expensive asset. Now we have asked in this budget for \$3.6 billion for modernization. Now, again, that is, as I mentioned, you know, earlier, the light utility helicopter and the Gray Eagle, both of those end of production; that is a cost savings of \$400 million. So that is less, and it is a part of that. But these were tough decisions. We wish we could make more investments in aviation. But, sir, we have to be absolutely focused on winning tonight, on the threats that are going on right now. You know, I am not trying to compare other services, but we are asking for \$25 billion in modernization. The Air Force and the Navy, both of them

are double that, their requests. We have mortgaged—in my opening statement, I was very clear with all of you and the American public: we are mortgaging modernization, our future modernization readiness for future fights, to focus on readiness today, because that is the mission that you as a Nation are giving us to do.

Mr. ROGERS. Well, the National Commission recommends adding up to 120 Apaches more. How does that play into your plans?

Mr. MURPHY. Mr. Chairman, we are working through this. We have a tri-commission with the National Guard, Reserve and Active Duty into one room. We are working through this line by line to make sure that we could look at those Commission recommendations; there are 63 of those recommendations. As Chief of Staff of the Army General Milley has mentioned, there are approximately 50ish that we have seen that we think we can implement, that are good ideas, that we have either already done or are about to do, that are low cost. There are two ideas that we feel pretty strongly that are not good ideas. But there are about a dozen or so that are good ideas, Mr. Chairman, but cost a lot of money that are—you know, the Commission came after the budget was proposed to the Congress. So it came after, and we are working hard, and we should get back to you, Mr. Chairman, and this Congress within the next several weeks, talk about 5 or 6 weeks, with our recommendations as an Army on how we could potentially execute on those expensive items and how we could do that.

Mr. ROGERS. You do not really think that we are going to go along with you and cut Army aviation by 35 percent? Do really believe that?

General MILLEY. Let me make a comment, Chairman Rogers, and I appreciate—one of the things we are doing with aviation, we are having to stretch it out over time. It all comes down to money. It all comes down to where you want to cut and what the tradeoffs are. So would we like what the Commission wants to do? Roger that. We would love it, and we think it is a good idea, but they don't come with a checkbook. So that is why we put it in the UFR list. So if we don't cut—aviation is the most expensive subcomponent of the budget, if you will, for the Army.

If we don't stretch that out, then we are going to end up sacrificing armor, infantry, which are in high demand. They are in equally as high demand as aviation. I am very familiar with the 101st, the 101st Aviation and cutting out the 159. And I was the deputy commanding general for the Screaming Eagles. I love Fort Campbell. I love Kentucky. And I love helicopters. I have been in a lot of firefights over the years, and my first call is to get an attack helicopter on the ground. Our G-1, right now, Jim McConville is an Apache helicopter pilot and flew a close air support mission directly for me. He saved my life, in fact. In fact, he probably regrets it today that he is a G-1 and not Chief of Staff of the Army. But there is nobody who loves aviation. I love Air Force aviation. I love fixed wing. I love that stuff. That is all good.

Now, I am an infantryman by trade, and a special operator, and there is nothing more valuable to us on the ground than something that flies in the air, and there is nothing more lethal for the enemy, but at the same time, wars are won on the ground. So we

have to maintain our infantry and armor and combat aviation and we think we are striking a balance in this particular budget.

Mr. ROGERS. Who will respond to the National Commission's recommendations? Who will decide what to accept and not accept?

General MILLEY. I think you do, Congressman. I think the Congress does. Congress—or I believe, anyway—that Congress mandated the Commission. The Commission reported out to Congress. They gave us the recommendations. We are going through those recommendations with the staff, et cetera, and we will report out to the Secretary of Defense, and we will give the Congress the benefit of our recommendations of their recommendations and how we can actually execute them.

Mr. ROGERS. When will you do that?

General MILLEY. We put a timeline; it is probably about 4 or 5 more weeks. Last week was 6 weeks, so this week, it will be 4 or 5 more weeks. What the Secretary and I are doing is taking a brief every week on, you know, four or five recommendations, four or five. We are eating the elephant at a bite at a time sort of thing.

Mr. ROGERS. Well, we certainly need that——

General MILLEY. Right, we recognize that.

Mr. ROGERS. But you would be prepared to change your request based on that conversation we are having, as far as aviation goes?

General MILLEY. The budget request?

Mr. ROGERS. Yes.

General MILLEY. I mean, you know, I have to be honest with you, Mr. Chairman, I think, given the top line that we have, given what was given to us as a top line, I think this budget, as written, is the most balanced budget to balance the modernization, the readiness, and the end strength of the Army. And we are taking risk. And I have expressed that risk as high risk, relative to the National Strategy and the ability to conduct operations, et cetera.

There is no question about it. So that is the result of a top line. And, you know, I am openminded, and I am sure the Secretary is as well. And I am willing to talk about it. But we put a lot of work in the crafting of that budget, and we think it strikes about the right balance.

Mr. ROGERS. So you are not going to listen to the recommendations as far as——

General MILLEY. We are listening, Mr. Chairman.

Mr. ROGERS. You are not agreeing to any of them apparently.

General MILLEY. No, we are listening to the recommendations very closely. And we want to execute some of them, but they came with no money. I mean, there is no money associated with those. If there is extra money associated—if someone says, "If you do these recommendations, here is the money to execute them," then that is great. I think those recommendations are good recommendations.

Mr. ROGERS. Well, I doubt that there is any other element of our force that is being cut by 35 percent, is there? Who else is being cut by that amount?

General MILLEY. Aviation took the biggest cut because it is 35 percent of the money, because they are the most expensive part of the force. Everything from flying—plus, we are divesting capabilities. We are divesting ourselves with the Kiowas, and so on. So it

is a cut, not so much in the numbers of aircraft or the capabilities that are on the ground; it is a cut in the money, and we are stretching it out over time. And I think it is a risk that we are going to go have to take.

Mr. MURPHY. Mr. Chairman, if I could just add something real quick, please. When I left 5 years ago, we had 45 Brigade Combat Teams. We now have 31 Brigade Combat Teams on Active Duty. So that is almost about—I don't have the math in front of me, but that is about a third of the cut as well. And that is over the last 5 years, sir.

So the Army has made a lot of choices. We have cut headquarter staff over 25 percent for over \$300 million in savings. I mean, we are getting after it, Mr. Chairman. There is a lot more work to do, but we have taken that Commission report, and we are adopting a lot of those things that we can adopt right now. And the other ones that cost money, we are working through it to see how we could get after it. And we look forward to working with you on that as well because we need your help.

General MILLEY. And, Mr. Chairman, on the 11th Brigade that you mentioned, we don't want to cut that 11th Brigade. We want to keep that 11th Brigade, but there is no money to do it. That is the problem. There is a top line to it. And we think, given that top line, we are given X amount of dollars, and I want that Ferrari, but I can only afford a Volkswagen, so I am giving you the best-balanced Volkswagen that can minimally achieve—they use the words “minimally sufficient.” That is what is in that Commission. This budget, this PB provides, according to that Commission, a minimally sufficient Army. I agree with that. That is what we are buying. We are buying a minimally sufficient Army that has a whole bunch of risk associated with it in the international arena, with Russia, China, North Korea, Iran, counterterrorism, and defending the homeland. And it is all coming down to how much risk we as a Nation are willing to take, and that is the bottom line. But given the amount of money we were given, we think it strikes the best balance possible.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. We don't want to endorse Volkswagen too quickly these days, so maybe we will choose another—

General MILLEY. Bad choice.

Mr. FRELINGHUYSEN. Yeah. Mr. Ruppertsberger and then Mr. Cole.

CIVILIAN FORCE DRAWDOWN

Mr. RUPPERSBERGER. Yeah, okay. Well, General, thank you for being here.

Acting Secretary Murphy, we served on the Intelligence Committee together. And I should have disclosed this: I was his mentor when he first came in. So don't mess up, because it reflects on me too.

Mr. RYAN. And he got appointed anyway.

Mr. RUPPERSBERGER. Yeah, that is a good point. There is a lot of talk, and I won't be repetitive about the drawdown, and the chairman has dealt with it. And I will say this: I think, you know, what we have been going through with sequestration and the cuts,

and I believe very strongly like bringing down 450,000 is a historically low number for the military, and I believe Congress has made some serious flawed assumptions about future levels of security, and we are seeing other countries, Putin, whatever, taking advantage of that right now. I think that most of the people who are specialized in national security will say these are some of the most dangerous times that we have. And I do want to say this, that my friends on the other side of the aisle in this committee have done a heck of a lot to maintain where we are now as far as our national security, because most people don't understand how serious this is. And the testimony over and over about Russia and China, and if we don't start dealing with some of these issues, we will be weaker than they are, and that is not where we want to be with this country. And if the people in this country knew that, they wouldn't want that either.

I want to get into the issue, again, of the drawdown. But there is another area. I have Fort Meade, Aberdeen, NSA, and all in my district. So I have a lot of Army in my district. And one of the things that hasn't been talked about—but I think is really relevant—is the civilian force, who really do a lot. There is a lot of brain power there, people that assist our military. And it is very important and very relevant.

And I just wonder what actions the Army is taking to ensure that this institutional knowledge is being passed on to the remaining workforce, number one. And what is the Army doing to attract highly skilled young professionals to fill this institutional gap in the Army workforce? Again, I am talking civilian now. But any base that we have, we have a lot of civilian workforce, and we need them, but we need the younger generation coming in. So are we working on that? Are we focusing? Are we training? What are we doing in that regard?

Mr. MURPHY. Well, Congressman——

Mr. RUPPERSBERGER. Now don't mess up there.

Mr. MURPHY. You know, part of this is that we have had to make tough decisions. We have let go 37,000 civilians over the last several years. And mostly that was through attrition. And, you know, again, the Army team isn't just folks who wear a uniform like I used to do. Now I am part of the Army team now, and there is a quarter million civilians in our Army that believe in the same values, that live those same values that our soldiers live by, of selfless service, of honor and integrity. And they work their tails off to keep our Nation safe. They are in those places like Aberdeen and NSA that are developing the next technology so our soldiers do not have that fair fight that we mentioned.

But, again, with these budgets come tough decisions. And as the acting Secretary of the Army, we are making them. Now, luckily, we have been able to make them mostly through attrition in the civilian workforce. But the message is very clear that we need them as part of the Army team, as part of our family, because they are out there every day—sometimes 7 days a week, you know, in those labs and doing what is necessary to get the next weapon system or the next night vision goggles and get them invented to give us the technical and the tactical advantage over our enemy.

So it is something that I am very concerned with, but we are taking the appropriate measures to balance that workforce to make sure that we have the best Army team that we need.

Mr. RUPPERSBERGER. General, do we have a plan for the new generation coming in, retraining, replanning, taking advantage of some of the brain power that is being either cut or retiring from attrition?

General MILLEY. Talking civilian?

Mr. RUPPERSBERGER. I am talking about civilians.

General MILLEY. I will have to check into the details of the civilian advanced education programs, et cetera, that we talked about earlier with the uniforms. I do know that we pay close attention to training and working the education and trying to bring in the right talent at the right time. As the Secretary said, we have had to cut significantly, not only uniform forces over the last 4, 5, 6 years, but also the civilian force. But I will get back to you on the education and the talent management of the civilians.

[The information follows:]

As the Secretary said, we have had to cut significantly, not only uniform forces over the last 4, 5, 6 years, but also the civilian force. As the Army evolves, we are undertaking significant changes in the way we recruit, manage, and develop our civilian work force. We are focusing on preserving the most important capabilities of this critical element of our Total Force. We have improved training, educational, and experiential opportunities for the Civilian workforce. We have aligned the Civilian workforce into 31 Career Programs, which provides a defined path for career development and progression that is based on required competencies. The Civilian Education System (CES) is the Army's core leader education program for Civilians. Through CES, the Army offers progressive and sequential leader development courses for all Army Civilians to take throughout their careers. The Army Civilian Training and Education Development System (ACTEDS) Intern Program provides for a strategic succession plan to replenish the Civilian workforce while maintaining the requisite skills required for functional proficiency. Program re-engineering efforts have resulted in improved hiring execution, with program goals to hire 1,000 Interns annually. About fifty percent of our Intern hires are within Science, Technology, Engineering and Mathematic fields, and about half of our Intern hires are Veterans. We also conduct functional training to provide Army Civilians the opportunity to take planned and coordinated courses of study in scientific, technical, mechanical, fiscal, professional and other career fields. The results improve individual and organizational performance that enhance achievement of Army missions. Additionally, our focus on leader development, improvements to the Civilian Education System, and continued maturity of the Senior Enterprise Talent Management (SETM) Program and Enterprise Talent Management (ETM) Program are designed to build a more professional and competency-based civilian workforce. Together, our programs will develop and maintain a cadre of senior Civilian with enterprise-wide perspective who are capable of being adaptive and agile Army leaders.

Mr. RUPPERSBERGER. Thank you. Okay.

Mr. FRELINGHUYSEN. Great. Thank you.

The gentleman from Oklahoma.

PALADIN IMPROVEMENT PROGRAM

Mr. COLE. Thank you very much, Mr. Chairman.

First, I wish our friend from Maryland had been in our conference today. I wish some of our budget hawks would have heard what you had to say. And it would have been helpful.

And Mr. Secretary, it is always good to see you back. You and Secretary McHugh have now established a home for retiring Members there at the Secretary's job, and done it in a bipartisan fashion.

Mr. MURPHY. Thanks. I am only 42, so I don't think I will retire for a couple of decades.

Mr. COLE. Well, it is nice to have somebody in your spot, honestly, that understands our world here too. It really was very helpful with Secretary McHugh, and I know will be with you as well. I have two just specific questions that I wanted to pose to you, and both of them, again, are parochial, quite frankly. I have Fort Sill in my district so I am interested, number one, in the progress in the Paladin Modernization Program, the PIM program. Where are we at? Is it on track? Are you satisfied with the results that are coming out?

And, second, you know, obviously, one of the high-use assets that the Army has are Patriot batteries. We have got those deployed in a lot of places. So, one, I want your assessment of what we have, and the use. And, two, where are we at? We are going to have more and more threats in this area, as we know, going forward, so as you are anticipating, what do you see coming down the road?

General MILLEY. Yeah, well, two things. Paladin and Patriot. We are satisfied with the Paladin. You know, the entire—we think it is on track, and we think it is value added. And the entire Army modernization program writ large, whether it is aviation, whether it is artillery, whether it is ground vehicles, et cetera, as a broad statement to characterize the whole modernization effort, we are taking existing systems and existing technologies and incrementally improving them. And that is what I think is going to be the Army modernization program over about the next 5 to 10 years. I do not see, and I have looked at this thoroughly, breakthrough technologies that are going to change the character or the nature of ground warfare in the next 5 to 10 years.

When you get to 10 years and beyond, though, I think there are fundamental technologies out there that will radically modernize ground forces in the conduct of war. That is beyond 10 years. But from now to 10 years, this budget, and the FYDPs coming up, our modernization program writ large is essentially a series of spinoffs to incrementally improve lethality and survivability and mobility, et cetera. That is what we are going to see, I think, for the U.S. Army and ground forces. Specific to Paladin, I am very comfortable with where it is at. Where it is on track and the improvements that are being done. And your note on Patriot is well appreciated. The Patriot force is one of our highest stress forces. As you know, there is seven battalions of Patriot deployed globally right now in some high-threat areas. They provide a critical function to not only defend U.S. assets and U.S. infrastructure, U.S. troops, but also those of our friends and allies. So Patriot is critical. We have got 15 of those battalions on the books, and we have got 5 THAAD companies. We are trying to expand and improve Patriot, and a lot of that has to do with the missile itself. And we are trying to add additional THAAD batteries, but those are critical for the integrated air defense system in both Europe, Asia, and Central Command AORs.

Mr. MURPHY. Congressman, if I can just add to, I echo and agree with the chief's comments. I do want to say, when you talk about the Patriot system, this is one of the most globally engaged teams that we have. Over seven of them are deployed. Half of them are

deployed, so it is one-to-one dwell time. I mean, the OPTEMPO of those units and those teams are unbelievable and really breakneck. And as the chief mentioned, two are assigned in station in Korea, one in Japan, one in Germany. Three battalions are allocated throughout the CENTCOM area in the Middle East. But when you talk about, when I said to Chairman Rogers about modernization, you know, the Patriot modernization program was status quo. I mean, this year I am asking, we are asking in this budget for \$154 million. That is a decrease of \$2 million. Last year, it was \$156. So, again, we are mortgaging modernization to meet readiness right now, Congressman. And we can't risk anything else when it comes to readiness. We have to win tonight.

Mr. COLE. Thank you.

Thank you very much, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you.

Mr. Ryan and then Mr. Diaz-Balart.

SUICIDE RATES

Mr. RYAN. Thank you, Mr. Chairman.

Secretary, great to see you.

General, great to see you.

One of the issues that I know this committee is very concerned about is the continued challenge with suicides. And I saw in the testimony that the Army only has 1,789 of the 2,090 behavioral health providers required to deliver clinical care and have folks embedded in the brigades. What kind of impact is that having on the issue of suicides?

Mr. MURPHY. Congressman, you know, you have been a leader with mindfulness and some other issues to get after it, and when you look at our warriors, part of that resiliency that we talked about is to make sure they have the mental resiliency. And we have redoubled our efforts in that.

Now, I will say, you know, 10 percent of the Department of Defense budget, we look at 10 percent of their budget is in, you know, medical resource or medical readiness. That has remained flat. Our expenses, our outputs have been flat for the last 4 years because of the efficiencies that we created within the services underneath the Department of Defense. I will also say that overall, I mean, we are the fifth largest healthcare system in the country, the fifth largest. But when you look at right now, 10 percent of our forces are nondeployable. That is over 100,000 soldiers; 80 percent of those 10 percent are because of medical reasons. So when you look at things like mental, you know, embedded behavioral health teams, we have doubled down on these teams. When I was at Fort Hood just a few weeks ago, these teams are trying to break the stigma of mental resiliency. They can go into those mental health providers. They can go in, and it is okay to go in there ahead of time and be proactive.

Having them in those units at our elements at the brigade level are critically important, and that is because the Congress provides the funding and everything after it, but those 59 embedded behavioral health teams at the brigade level, we need to do more. We are trying to do more, and with your help, we will be able to do more.

APACHE BATTALIONS FOR THE NATIONAL GUARD

Mr. RYAN. I appreciate that.

General, so evidently, the four battalions for the National Guard with 18 Apaches, it is my understanding that there is some concern within the Guard that the Guard may opt to split up those four battalions among numerous States, and do you think this will hamper their ability to offer a viable capability, given the strain this will place on their efforts to train together?

General MILLEY. Yeah, I haven't heard the guard recommendation yet, Congressman, to be candid. So I don't know what their course of action is for the distribution of the bases of issue to do that.

Splitting them up, though, on the surface of it, not knowing what their recommendation is, the whole idea of Apache is to keep them consolidated so they can train as a unit, fight as a unit, and have combat effects on a battlefield as a unit. If they were to be split up into penny packets around a wide variety of States, that could be problematic for the actual operational employment and the training value. Now, there may be workarounds for that. I don't know. I would have to wait and see until I hear the course of action.

Mr. RYAN. I appreciate that.

Mr. Chairman, I just want to say that hearing things like phrases like "high risk," "minimally sufficient Army," "mortgaging modernization," "Volkswagen," I mean, these are——

General MILLEY. They get to hear it twice now——

Mr. RYAN. That has been memorialized, General. Sorry. Each of those issues and the behavioral health issue, these are very concerning issues, and there is an 800-pound, you know, elephant in the middle of the room: we need money.

We need money to do this. And I just say very respectfully, as we sit on a committee that is very bipartisan, we need money. And the American people are going to look to us either in the next year or the next 10 years because a lot of this stuff is projected out. And in 10 years, the emperor has no clothes, and we don't have the equipment, the capabilities that we need. And not to get too political, but we have a very high concentration of wealth in this country. There should be no reason why we can't ask the 0.01 percent of the people in the country to help us address the national security issues in the United States. That should not be beyond the capabilities of this committee to ask and put forward to the American people exactly what these challenges are, exactly what they cost, and say: Hey, we need a little bit of help from people who are doing really well. And if you want the stock market to keep going up and if you want the lanes for shipping and commerce to continue to be protected, we need the money to be able to do that. And we are going to go back and forth for how many years until we recognize that we need a little more dough to make this happen.

So I don't mean to get on the stump, but this is very concerning to me to hear the general, the Chief of Staff of the Army, talk about very high risk and a minimally sufficient Army. That is not the United States of America. I yield back.

Mr. FRELINGHUYSEN. Well, respectfully, we also need to know what we are doing around the world, and that is why Congress in a bipartisan way has looked for what the Defense Department's plans and strategies are all about and how they are going to be implemented. And we are here today, obviously, to support the Army's important role.

And there is the issue of accountability. We have some systems that we work on here with all of our services where it is incredible. We talked about acquisition and procurement, and our committee worked very closely with Chairman Thornberry. You know, the taxpayers also have a right to know that—you know, I was involved with the Future Combat Systems, you know. I mean, I defended it, but my God, we have had some enormous expensive failures. We have been able to draw from some of those technologies, but in reality, a lot of money was wasted. So I share your feeling. I am not sure about the tax issue, but certainly, I feel your feeling that we do need more money rather than less.

Mr. Diaz-Balart.

ARMY'S ROLE IN THE SOUTHERN HEMISPHERE

Mr. DIAZ-BALART. Thank you, Mr. Chairman, General, Secretary. You know, in this time of the tight budgets, it coincides with, frankly, the enemies of freedom of United States, frankly, being emboldened around the planet, whether it is Asia, whether it is Europe. One of the areas that doesn't usually get a lot of public attention is our own hemisphere. And without the U.S. military, the Army Special Forces, et cetera, there is no doubt that we would have not seen the success, you know, whether it is Colombia, for example, or you name it.

So let me talk a little about where you see—whether it is footprint or goals for this hemisphere, because again, in this hemisphere, we are now seeing an emboldened Cuban regime. Now we know that Hezbollah—confirmed Hezbollah, we have known it has been in Cuba. But now that is public. We, for the first time in, what, a generation, have seen potentially Cubans even helping now in Syria. We see the strengthening ties with Iran, with Russia, with China.

So, despite what many would like the perception to be, the reality is a lot different. So I just want to throw out kind of an open-ended question. How do you see our involvement in the hemisphere? How do you see our relationships, and how do you see the Army's role in those relationships and that potential involvement?

General MILLEY. Thanks, Congressman. The Army is very heavily involved in the Western Hemisphere writ large: Canada to the north, Mexico to the south, the Caribbean, Central America, South America.

I had an opportunity travel not too long ago to travel to Colombia and participate in the Combined Chiefs of Staff of all of the Armies of the Western Hemisphere. It got great reports. U.S. SOUTHCOM, in particular, U.S. Army South is leading the way, and those Armies are very thankful for our efforts.

The threat in the Western Hemisphere is there. It is not as intense as it is elsewhere. But we are mindful of what is occurring in Mexico with the counternarcotics campaign and the fight in

northern Mexico. I do point out to almost everyone I talk to about terrorism and counterinsurgency. The success that has occurred in Colombia, that is an incredible success story. It is probably the best counterinsurgency campaign that I am aware of. And I have studied most of them. And it is an incredible effort by the Colombian people, the Colombian military, and supported actively and consistently over time by the United States with a relatively small number of forces. And they have successfully, you know, dealt with that insurgency and they are pretty much, at least my estimate, is nearing the end game in bringing that to an end. It is an incredible story, and it is something worth studying in that detail. But we are heavily engaged throughout the Western Hemisphere.

Mr. DIAZ-BALART. And you don't see that changing any time soon. I mean, I know that, in SOUTHCOM, General Kelly has mentioned many, many times to I think most of us, or all of us, that focusing on narcotrafficking for example, or human trafficking, that he can see a lot of activity taking place, but he can only, in essence, try to go after about 20 percent. And it is literally lack of resources of having, potentially—

General MILLEY. Right.

Mr. DIAZ-BALART [continuing]. You know, helicopters or a ship they can land the helicopters on, et cetera. So, you know, how do you see our future plans there?

General MILLEY. Right. For the Army, the Army's commitment, we have got capabilities committed into South American, in Central America, et cetera. I do not see, unless something radically changes, given the size of the Army, and where we are at, and what our global commitments are, I do not see a radical increase over beyond what we have right now coming up into the future.

Mr. DIAZ-BALART. And, General, how about a decrease?

General MILLEY. No, I don't necessarily see a decrease either. I think it is, for SOUTHCOM, Army support of SOUTHCOM, I see pretty much a steady state.

Mr. DIAZ-BALART. All right, thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you.

Judge Carter, the center of military might, right, in Texas.

ARMORED BRIGADE COMBAT TEAM READINESS

Mr. CARTER. Yeah, of course, a great place.

Mr. Secretary, General, thank you for being here. I apologize for being late. I am the chair of the subcommittee on the defense of this Nation at our borders, and I had a hearing with the Coast Guard that I had to at least get kicked off so I could come see you. And, of course, everything centers around Fort Hood as far as I am concerned.

General Milley.

General MILLEY. As the former commander of Fort Hood, yes, sir.

Mr. CARTER. You have been there. With the announcement of a rotational ABCT deployment to Europe, we will now have three out of the nine Active Armored Brigade Combat Teams deployed around the world at any given time. If we engage with three, reset three, and build readiness in three as the next rotational set, what options are available to the Nation for future contingencies? What

challenges and risks should the Army have suddenly if they are asked to do something? I mean, everybody is either going to be training, resetting, or deployed. When we have got places like Eastern Europe and the Korean Peninsula, which are bubbling all the time, what is the concept that keeps that working?

General MILLEY. Thank you, Congressman. You know, we have got nine Armored Brigade Combat Teams in the regular Army. And there is five more in the National Guard. So one of my initiatives that we are working on is, again, operationalizing the National Guard. That is a very important initiative. We have got to get that going. We have got to bring the Guard into resourcing of these various rotations. And, of course, the Guard wants to do that. So it is a function of money, and so on and so forth.

So we are going to do that, so the Guard is one of the options to do that. Secondly, you know, if a contingency were to kick off, you know, one of these other contingencies that were significant, I mean, the President, SecDef would have to be making some significant decisions as to the strategic tradeoffs. So and I am very confident we would do that as a Nation. We would say: Okay, you are not going to do that mission; you are going to do this mission. So you are going to have to make those choices. And another thing we are taking a look at, Congressman, is I have got a study ongoing through TRADOC to determine whether or not we need to add, convert one of our existing brigades to an armored brigade or perhaps hybrid brigade as we go into the future. That study is not in yet. I don't expect it in for a few months.

But there may be a need for additional armored forces, given the nature of the world and the direction the world seems to be going right now. So we are taking a look at that. No decision has been made. That probably wouldn't—that definitely wouldn't be a PB17. That would be something in the POM 2018 or 2019 that we would have to take a look at it. But I am concerned about the OPTEMPO of the armored forces. They are in high demand.

Mr. CARTER. And in this last round of cuts that came out, we had, because we are the home of the armor, we were told that we are not reducing the number of BCTs you have got, but they did come in and take one infantry company out of each BCT.

General MILLEY. Right.

Mr. CARTER. Now, and that is in the regular Army. I assume the same adjustment is made in the Guard or not?

General MILLEY. No, we did—correct, not the Guard. We did that in order to rebalance all of the brigades throughout the Army. That wasn't targeted at one installation or another. That is to take those companies out in order to maintain Brigade Combat Team and battalion force structure.

Mr. CARTER. Well, the reduction of that infantry company, is that in light of our just prior conversation of only nine armored—

General MILLEY. Yeah.

Mr. CARTER [continuing]. Does that also put any kind of limitation on us to be able to respond to an incident somewhere in one of the hotspots as you just described? It looks like to me there are less soldiers there.

General MILLEY. So, on a given—I mean, we had to cut to get the numbers down. And that is where we decided to cut, was to

take out those companies out of those battalions and out of those brigades. So what it does is, it is reducing the size and capability, the capability of a given unit, battalion or brigade by a single company out of the 12 that they have in the brigade.

Mr. CARTER. It is also reducing the lethality also. They are less lethal. Right?

General MILLEY. It reduces lethality. It reduces survivability.

Mr. CARTER. And I bring all of this up not in any form of criticism.

General MILLEY. Sure.

Mr. CARTER. But as an example of pointing out what you are having to deal with—

General MILLEY. Right.

Mr. CARTER [continuing]. In looking at our ability to fight the enemies of our Nation—

General MILLEY. Right.

Mr. CARTER. [continuing]. Within the constraints of what we are having to deal with in this committee.

General MILLEY. Right.

Mr. CARTER. And I can say without reservation on both sides of the aisle: we are concerned very much about what is happening to the Army because, in reality, you don't have any big toys to put in the mix. You have got people.

General MILLEY. Right.

Mr. CARTER. And the less people, the less lethal you are. I am hoping we are going to figure out a way to grow the Army. Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Judge Carter.

Mr. Visclosky, and if there are others that have some questions, if you could just let me know, so we can round the bases and look toward the end or adjournment.

INSUFFICIENT RESOURCES

Mr. VISCLOSKY. Mr. Chairman, I will be very brief, and I think Judge Carter led me into my editorial comment, which I try to avoid in these settings. There are very serious people on this committee trying to solve very serious problems. There is a lack of resources. Until one political party in this country comes to grips with the theory and the fact that we have to slow entitlements, we are going to have a deteriorating conversation with next year with you because you don't have enough resources.

Until another political party in this country comes to grips that we can't starve this Nation of investment dollars to invest in our future through additional revenue, we are going to continue to have this conversation with you and others because of a lack of resources. And I would hope that both those parties come to grips with both those issues, so we can make sure you have the resources for not only the helicopters that the chairman alluded to but the training for those who fly them so that they are as safe and as effective as possible. And I hope that day comes much sooner than later, because the Judge is also right: we need more resources.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, any other member comments?

General Milley, you made reference earlier that the Russians—and I presume you put the Chinese in the same category—have been looking at what we have been doing in the Middle East for quite some time. I think you know one of our commitments in this committee is not only to military readiness—and certainly to yours—but the whole issue of ISR. We haven't talked much about it, and you made reference to the fact we can't often talk about some of those things, but we certainly are keeping an eye, as I am sure you are, on what is happening in Ukraine and Russian capabilities. A lot of those capabilities are in open sources. We trust and hope on this committee that as we look to see what the Russians and Chinese are doing—and I am not suggesting, you know, going to war here—that we always keep an eye on the development of those capabilities, and—this is just my personal perspective—if you look at the construct of the budget we received here, it tends to be Russian- and Chinese-centric, but we also have the ongoing fight, which the Secretary mentioned. I mean, there are a lot of things happening in Mosul. And if you look at what we did in Ramadi, it was certainly done with our advanced technology and air support, and in reality, there is not much left of Ramadi, and Mosul is even a more difficult target.

But the committee is bound and determined to give you the ways and means, as best we can within the construct, to address Russian and Chinese aggression, but we have, of course, this cancer spreading around the world: ISIL, or the Islamic State. And you need the resources there, conventional resources, and what we call resources for unconventional purposes. And we are bound and determined to deliver that for you.

So I want to thank you on behalf of the committee—I know Mr. Visclosky and all members—for the incredible work you do, and the men and women you represent, all of whom are volunteers.

We stand adjourned. Thank you.

[CLERK'S NOTE.—Questions submitted by Mr. Rogers and the answers thereto follow:]

AVIATION ACCIDENTS

Question. General Milley, last December the Army grounded all aircraft in active duty units for several days in response to several fatal helicopter crash incidents. 8 soldiers were lost in these accidents, 2 of whom were stationed in Fort Campbell, Kentucky. I understand the Army reviewed the situation to determine the cause of the incidents and prevent further tragedies like these from occurring.

Is this trend due to faulty equipment or insufficient training?

Answer. The FY 2016 Army Aviation accidents resulting in fatalities are still under investigation, to include those that occurred at Fort Campbell, Kentucky; Fort Hood, Texas; and in Korea. Since March 2014, materiel failure was the primary cause in 3 (11 percent) of 27 Class A Army Aviation flight accidents and human error was the primary cause of 22 (81.5 percent). Historically, 80 percent of aviation accidents are caused by human error. The Chief of Staff of the Army directed a holistic review of Army Aviation in December 2015. This team is examining aviation training strategy, funding, execution, and assessment. They are expected to submit their initial findings to the Chief of Staff of the Army by March 31, 2016. The timeline for release of the final report is pending.

Question. What was achieved by the recent training review and will it have an enduring impact?

Answer. In December 2015, the Chief of Staff of the Army directed a holistic review of Army Aviation. This team is examining aviation training strategy, funding, execution and assessment. The review team, comprised of Army Aviation experts, is led by LTG Kevin Mangum. Although the timeline for release of the final report is pending, they are expected to submit their initial findings to the Chief of Staff

of the Army by March 31, 2016. Their work will undoubtedly have an enduring impact on Army Aviation.

FLYING HOURS

Question. General Milley, the National Commission on the Future of the Army noted that the Army has scaled back the amount of flying hours for active and reserve components and recommended increasing them.

Will this make a meaningful difference in the safe operation of Army helicopters?

Answer. Due to budget constraints, the Army reduced the number of flying hours for aircrews. In December 2015, the Chief of Staff of the Army directed a holistic review of Army Aviation. This team is examining aviation training strategy, funding, execution and assessment, to include flight hours and their relationship to readiness and safety. Although the timeline for release of the final report is pending, the review team is expected to submit their initial findings to the Chief of Staff of the Army by March 31, 2016. Their recommendations, which may include additional flying hours, will inform the Army's broader approach to aviation readiness and safety.

[CLERK'S NOTE.—End of questions submitted by Mr. Rogers. Questions submitted by Mr. Cole and the answers thereto follow:]

ISR ASSETS

Question. General Milley, I understand the Army owns 29 large aerostats (formerly PTDS) and 29 medium aerostats (formerly PGSS). However, only a few (four) large aerostats have been deployed in the CENTCOM area of operations.

What are the barriers preventing the full use of ISR assets?

Answer. At the height of the war the Army had 124 aerostats [65 Persistent Threat Detection Systems (PTDS); and 59 Persistent Ground Surveillance Systems, (PGSS)] deployed to Afghanistan. Currently the Army has 18 active aerostats and one spare deployed to the U.S. Central Command area of operations (13 active PTDS, one spare PTDS, and one active PGSS in Afghanistan; four active PTDS in Iraq). We have one PTDS in storage in Kuwait and another one in storage in CONUS, both awaiting the Combatant Command's decision on where to deploy them in Iraq. We also have 47 aerostats (20 PTDS and 27 PGSS) remaining in CONUS storage that are available for Contingency Operations. The Army made a decision in 2013 to retain the aerostats in order to support future deployment requirements. Upon a validated requirement and associated funding, the Army will deploy as many of them as required. The aerostat program is a government-owned, contractor-operated operation.

Question. Why hasn't the Army deployed more aerostats in the CENTCOM area of operations?

Answer. The Army is fielding all of U.S. Central Command's current aerostat requirements. If more are requested and validated, the Army will deploy them.

Question. Why aren't CENTCOM deployed aerostat assets equipped with wide area motion sensors?

Answer. U.S. Central Command (CENTCOM) has prioritized Full Motion Video (FMV) capabilities in their aerostats over wide area surveillance (WAS) sensors. Currently, all CENTCOM aerostats in Afghanistan and Iraq are fitted with FMV; three of the aerostats in Afghanistan are also fitted with WAS. Two aerostats in Iraq will also be fitted with WAS once the authorization to operate (ATO) is finalized. Both WAS sensors for Iraq are ready for shipment, but awaiting the ATO. CENTCOM determines the sensor array in the aerostats based on mission requirements and priorities.

There are weight limitations in the aerostats and an operational tradeoff must be made when adding WAS. When WAS is added, one of the FMV cameras must be removed. CENTCOM is reluctant to add WAS at the expense of their higher-priority FMV requirement. If CENTCOM requests additional WAS for deployed aerostats, we have enough systems in our CONUS storage facility that we can immediately make them available for deployment and would make their delivery a priority.

Question. Who makes the decision to allocate or deploy ISR assets and the sensors on the aerostats?

Answer. U.S. Central Command makes the request. The Joint Staff validates it, and the Army sources it.

[CLERK'S NOTE.—End of questions submitted by Mr. Cole. Questions submitted by Mr. Aderholt and the answers thereto follow:]

ABCTs

Question. The Army has only nine active duty ABCTs, which deploy on a rotational basis to Europe, Kuwait, and Korea, with every brigade either recovering from a deployment, training for an upcoming deployment, or currently on deployment. How does the department reconcile this alarmingly high use of the ABCTs, and how will the department provide for an increased demand for ABCTs, should a wartime need arise?

Answer. The Army has already taken steps to address increased demand by transitioning the Network Integration Evaluation (NIE) Brigade Combat Team (BCT) to an Armored BCT available to support ongoing or emerging requirements. The Army is also looking at a range of other options to include converting an Infantry BCT to an Armored BCT and increasing utilization of the reserve component. All options incur varying levels of risk in terms of time to build readiness and employ the capability, different fiscal considerations, and personnel tempo. Increased demands on Army forces is not limited to Armored BCTs and includes Combat Aviation Brigades, PATRIOT units, and Infantry BCTs, to name a few.

Question. While the National Guard's five ABCTs are an option for use, the time it takes for any of them to be mobilized and deployed is lengthy, which will cause great disruptions in the rotation of ABCTs to Europe, Kuwait, and Korea. You will have to accelerate training, lengthen deployments, or leave certain COCOM commanders without an ABCT; all undesirable strategic tradeoffs. Additionally, what is the signal for the Army to increase the quantity of active duty ABCTs?

Answer. Current operational and contingency war plan demands exceeding the number of existing Armored BCTs is a strong signal to increase the number. The requirement to conduct two near-simultaneous conventional combat operations under a defeat/deny scenario may exceed our ability to satisfy combatant command requirements and leave us with little flexibility to address any other demands for armored (or other) forces.

TROOP REDUCTIONS

Question. How concerned are you about the continuing trend of troop reductions, and please articulate for me what risks we are taking if we continue to reduce the size of our Army in the coming years?

Answer. We have grave concerns about the Army's readiness to respond to a major contingency concurrent with our existing requirements in a timely manner at current end-strength. In the event of a major contingency, the United States Army risks not having sufficient ready forces available, and if committed we risk not being able to accomplish the tasks at hand in an acceptable amount of time, incurring increased U.S. casualties, and not achieving our strategic objectives. Continued reductions increase these risks.

Question. What risks do we take if we reduce the Active/Guard/and Reserve end strength beyond what you have planned in FY17?

Answer. We risk the ability to conduct ground operations of sufficient scale and ample duration to achieve strategic objectives or win decisively at an acceptable cost against a highly-lethal hybrid threat or near-peer adversary. If one or more possible contingencies happen then the United States Army risks not having sufficient ready forces available, and if committed we risk not being able accomplishing the tasks at hand in an acceptable amount of time, incurring increased U.S. casualties, and not achieving our strategic objectives. Additional reductions beyond those planned and programmed in the President's Budget request for fiscal year 2017 would increase these risks.

EUROPEAN REASSURANCE INITIATIVE (ERI)

Question. We learned in Iraq and Afghanistan that the rotation of Brigade Combat Teams in and out of theater generates a steep learning curve within new units, as they attempt to reach the effectiveness of the unit they replaced. Armored brigades rotating to Europe as part of the European Reassurance Initiative will no doubt face that same learning curve; everything from the laws that govern international border crossings, to the nuances of working with partner nations. These rotations will necessarily invite friction and risk. What is your assessment of these risks, which Russia is certainly aware of, and would permanently stationing one or more Armored Brigade Combat Teams in Europe help to mitigate those risks, and better assure our NATO allies?

Answer. While it is true that Armor Brigade Combat Teams (ABCTs) rotating from the United States to Europe will face challenges and must address the cultural nuances of operating with Allied and Partner Nations, these challenges can be miti-

gated through the use of our standing Headquarters elements permanently in the European Theater, which include U.S. Army Europe and U.S. European Command. Our presence, forward stationed and rotational, sends a very strong message to our Allies and Partners: the U.S. commitment to NATO and our Partners is ironclad and unbreakable—regardless of the home station locations of U.S. ABCTs. The U.S. remains committed to deterring and defending against Russian aggression and assuring our NATO Allies and Partners. Rotating ABCTs provides the best trained, most ready capability to EUCOM while also exercising the Army's ability to quickly mobilize, deploy, and get an ABCT into the fight. Moreover, rotating forces to Europe will build needed expertise in global deployment, a skill vital to rapid response that has atrophied over the past decade. Rotation will build a bench of CONUS based forces familiar with the mission, terrain, and people of Europe and the capabilities of our NATO Allies. These units will rotate overseas at higher readiness levels as they will complete a combat training center rotation as a part of their train up.

Question. What is your recommendation for the number of ABCTs that should be permanently stationed in Europe, and exactly where should they be stationed?

Answer. The Army is working with EUCOM and the Joint Staff to refine the operational requirement for armored forces in Europe. Beginning in 2017 the Army will have an Armored BCT continuously present in Europe, and will build additional ABCT and other armored division capabilities through forward stationing of equipment sets in subsequent years. Rotating ABCTs provides the needed capability quicker than could be achieved by permanent stationing, and exercises the Army's ability to quickly mobilize, deploy, and get the force into the fight.

CYBER SECURITY

Question. What progress has been made in the realm of protecting against supply chain cyber threats?

Answer. U.S. Army Cyber Command maintains a liaison office and works directly with Army Materiel Command, to support cyber vulnerability mitigation efforts. Specific details of mitigation efforts are classified and can be provided under separate correspondence.

Question. How has the Army mitigated the risk of different research departments becoming "stove-piped"? What progress has been made in the development of Trusted Systems and Networks?

Answer. The Army mitigates possible "stove-piping" by different research departments by engaging with various fellow researchers through mechanisms such as the DoD Communities of Interest (Col) which were established to assess DoD-wide capability gaps in cross-cutting technical areas of interest and align science and technology (S&T) investments across the Services and DoD Agencies (Defense Advanced Research Projects Agency, Missile Defense Agency, Defense Threat Reduction Agency, etc.) to address these gaps. In the area of cyber, the Cyber Col includes the National Security Agency and Federally Funded Research and Development Center research efforts. In addition, the Army has established cyber governance and oversight bodies that bring together key stakeholders to work cyber acquisition, resourcing and requirements collaboratively across the Army.

In the area of trusted systems and networks, the DoD continues to make progress. As part of the Col strategy, the Army S&T conducts research in the following areas: trusted architectures, cross domain security, identity and access management, software and hardware assurance, and data integrity and confidentiality. Some of the specific technologies being worked include encryption to secure the tactical cloud, tactical public key enablement, tactical cross-domain solutions, and software-based encryption. A recent accomplishment is the transition of lightweight data in transit/data at rest encryption software and a Linux integrity module and trusted boot function software to Program Executive Officer Soldier/Nett Warrior acquisition program in Fiscal Year (FY) 2014. We have a number of planned transitions in this area of research, to include cyber risk assessment tools for mobile applications to PEO Soldier/Nett Warrior in FY 2017, a software vulnerability assessment tool to PEO Command, Control and Communication-Tactical (C3T)/Product Director Network Enablers in FY 2018, and enabling technologies for Tactical Public Key Infrastructure to both PEO C3T/VVairfighter Information Network-Tactical (WIN-T) in FY 2016 and PM Tactical Radios in FY 2018. Other transitions include a software based encryptor to PEO C3T/WIN-T in FY 2017 and unmanned air system support for this software encryptor to PEO Aviation's Small Unmanned Aerial Systems, a wireless personal area network encryption capability to PEO Soldier/Nett Warrior in FY 2017 and a field programmable gate array-based 29 hardware encryptor/next

generation key loader for encryption keys to PEO C3T/PD Network Enablers in FY 2018.

Question. What progress has been made in protecting space and missile defense assets against cyber threats?

Answer. Significant progress is being made by the space and missile defense community in protecting space and missile defense assets. Mission assurance activities include: identification of space and missile defense cyber key terrain; periodic execution of Red Team and Blue Team vulnerability assessments; initiation of targeted studies such as the cyber defense of satellite communications; initiation of computer network defense on mission systems; implementation of rigorous supply chain security policies to address counterfeit components and malicious tampering; ensuring cybersecurity early in the system development lifecycle; auditing the protection of Department of Defense intellectual property, and continuous evaluations of cutting edge cyber technologies that could enhance existing protection methods and tools.

Question. Additionally, how has Line 6, PE 0602120A, funding been used to research methods for protecting data against corruption or interception, and for the support of cyber vulnerability assessment programs?

Answer. In Fiscal Year 2015, Congress provided an additional \$7.75 million in line 6, PE 0602120A for cyber security research. The Fiscal Year 2015 congressional funds support research at the U.S. Army Space and Missile Defense Command/Army Forces Strategic Command Technical Center that identified space system (i.e., satellites and communications links) vulnerabilities to cyber threats, approaches to build resiliency into the space platform industrial base supply chain, approaches to customize and secure mission operations software, and approaches to implement secure space-based wireless wide area networks.

The Army's main defensive cyber security science and technology efforts are funded in PEs 0602782A, Command, Control, Communications Technology, 0602783A, Computer and Software Technology, and 0603794A, C3 Advanced Technology.

CONTRACTING

Question. There are numerous reports out of Redstone Test Center (RTC) that the speed in which contracts are being awarded is slowing, and that the change is due to organizational and systemic causes, instead of manpower shortages. Please explain how the Army monitors the efficiency and effectiveness of its contracting, and what the tolerances for acceptable performance are.

Answer. The Army uses a variety of tools to monitor the effectiveness of its contracting, such as our Virtual Contracting Enterprise (VCE) suite of information technology tools that track procurements and other key metrics in real-time. Additionally, we leverage several of our contracting enterprise reviews to the Deputy Assistant Secretary of the Army for Procurement and the Army Acquisition Executive that report various metrics along with highlighting any challenges from the contracting center Directors/Commanders. The Army also manages a robust Procurement Management Review Program that looks across the entire business operations of the contracting commands and does not focus solely on compliance of individual contract actions. Any trends would be reviewed and shared with the affected activity and potential corrective actions addressed at both the execution and management levels. Over the past several years the Army has pushed diligently to fully implement the tenants of the DoD Better Buying Power (BBP) initiatives. These initiatives have a solid focus on improving tradecraft and ensuring the Government receives exactly what it is paying for at the lowest possible cost. While we have achieved enormous cost and performance savings through BBP, this level of review and oversight has added additional steps, checks and balances to the procurement process.

Question. What changes or events within RTC over the past three years would have resulted in a delay in awarding contracts?

Answer. During Fiscal Year 2013–2016, Army Contracting Command (ACC)-Redstone Arsenal (RSA) awarded two competitive actions for RTC. Although support on other actions were discussed and planned for execution at ACC-RSA simultaneously, the following requirements were moved to ACC-Aberdeen Proving Ground (APG) due to resource constraints. A follow-on to the Information Management Support contract was transferred to APG in June 2015. New competitive contracts for the RTC Wide Engineering Services and the RTC Wide Support Services were sent directly to APG for award by the customer. Because RTC is a reimbursable customer, there was insufficient funding of contracting personnel during periods which competitive procurements were conducted. There was insufficient RTC manpower to support source selection boards, including personnel changes in the middle of source selection boards and inexperienced ACC-RSA workforce contributed to speed of

source selections. On these two actions, a Pre-Award protest and a Post-Award Protest were also contributing factors. Over the last two years ACC-RSA has implemented streamlining initiatives to improve Procurement Action Lead Time, to include (but not limited to) updating local processes and standardized templates, delegating Chief of Contracting Office authority to Buying Directors and developing standardized metrics and quarterly performance management reviews.

There are numerous reasons why a contract award may be perceived as slowing or delayed. The procurement process has many players outside of contracting. Some examples of issues that affect the procurement process outside of contracting include incomplete, unclear or late submission of requirements to the contracting office, changes to the solicitation based on questions from industry that increase the proposal submission time, increased time for evaluations due the complexity of the requirement, and lack of complete and/or quality proposals from our contractor base.

As resources continue to decline, Army Test and Evaluation Command (ATEC) and RTC are pursuing multiple avenues to improve acquisition efficiency. ATEC has worked with our servicing contract organizations to establish a Test and Evaluation Center of Excellence (COE) to consolidate our major range support contracts into a single location, thus allowing one office of contracting personnel to focus on our unique test and evaluation support needs. In establishing the ATEC COE, RTC's contract support was recently realigned from the Army Contracting Command at Redstone (ACC-R) to APG at the ACC-APG in order to improve the timeliness of contract awards. In this process, we have identified potential efficiencies via future contract consolidation across the ATEC enterprise, to include consolidation of contracts at RTC. Specifically within RTC, the commander is pursuing consolidation of multiple RTC service contracts, where feasible, in order to increase efficiencies and eliminate redundancy. In order to accomplish this consolidation of support and to prevent an impact on mission, where required, RTC in conjunction with the contracting command, initiated bridges and extensions while efforts were ongoing to award contracts. Since the transition, RTC has experienced an improvement in overall service.

Question. To what extent is the Army considering proposing that contracting decisions be returned to the Command carrying out programs, as opposed to a central Contracting Command?

Answer. The Army is not considering any proposals to return contracting decisions to the Command carrying out programs as opposed to a central Contracting Command.

There was a recent Mission Command Alignment order published by Army Materiel Command (AMC) to strengthen the Life Cycle Management Command Commanders' ability to set and manage work efforts within their respective portfolios, but the technical and functional decisions related to contracting within the aligned contracting centers remain unchanged.

The order also strengthens Army Sustainment Command as AMC's "single face to the field" and provides supported Army Service Component Command, Corps, Division, and Brigade Commanders a single point of entry into AMC capabilities, including contracting, but the technical and functional decisions related to contracting remain unchanged.

CONVENTIONAL PROMPT GLOBAL STRIKE (CPGS)

Question. Have future Army variants of a CPGS system been modeled in wargaming? If so, what were the outcomes of these wargames, and how are they affecting DOD's CPGS program?

Answer. Short and medium range variants of a land based CPGS system were recently modeled in a wargame for the Office of Net Assessment. The results of this wargame have not yet been released. When received, the results of this wargame will be provided to the Office of the Secretary of Defense for Conventional Prompt Global Strike (CPGS) for consideration in the planning for the Department of Defense CPGS program.

Question. While still in the technology maturation phase, is it possible for the Army to provide DOD with input into the future acquisition of CPGS systems?

Answer. The current Conventional Prompt Global Strike (CPGS) effort is a research and development (R&D) technical maturation program and, as such, is basing and lead-Service agnostic. To date, the Department of Defense (DoD) has not made a decision whether to transition CPGS into an acquisition phase. Based on the successful Advanced Hypersonic Weapon project, the U.S. Army Space and Missile Defense Command (USASMD) continues to be an integral partner of the national CPGS activity. Currently the USASMD is supporting the DoD CPGS R&D program as the flight test director and flight test execution agency for the Inter-

mediate Range Conventional Prompt Strike Flight Experiment 1, and continues to provide input on possible future acquisition programs to the CPGS office.

Question. If the Army and COCOMs, were asked to field a version of a smaller Navy variant for a land-launched version (either from CONUS or from a forward base such as Guam), what capabilities are lost by that decision, especially with regards to loss of range, and loss of power applied to the target?

Answer. While the U.S. Army Space and Missile Defense Command, in support of Conventional Prompt Global Strike (CPGS), has undertaken some simplified analysis of alternative Hypersonic Glide Body designs, the Office of the Secretary of Defense CPGS program office has the necessary information and tools to best answer this question.

Question. It seems to me that vulnerability of a land-based variant has not been fully-weighed against vulnerability of other systems (and higher costs of other systems, inclusive of the necessary modifications to submarines). How is the Army working with other services, i.e., the Navy, to develop hypersonic missile technologies and capabilities given current and future threat scenarios?

Answer. U.S. Army Space and Missile Defense Command (USASMDC) continues to work closely with the Office of the Secretary of Defense (OSD) and the other service Conventional Prompt Global Strike (CPGS) stakeholders to develop hypersonic missile technologies. USASMDC is currently engaged with OSD for the CPGS program in a number of technical areas including basing and limited operational capability studies. USASMDC is a key member of a national CPGS team that also includes the Navy and Air Force as well as a number of Federally Funded Research & Development Centers and industry. USASMDC supports the development of hypersonic missile technologies through participation in both the flight test program and the technically oriented Integrated Product Teams.

Question. I would like an update on that matter, and I would like the consideration to be applied to the concept of systems which are moveable (as contrasted with mobile, on a truck), and systems not limited to a fixed silo approach. I request as much information on this program as possible to be supplied at the TS or lower level.

Answer. Conventional Prompt Global Strike (CPGS) basing studies to date have included land, air, and sea options (including moveable missiles). We recommend that the Committee work with the Deputy Assistant Secretary of Defense for Space, Strategic, and Intelligence Systems CPGS office on the current status of the national CPGS program.

OFFICER PROMOTIONS

Question. Retaining the best personnel requires a superior personnel management system; how your officers view the integrity of your Below Zone (BZ) selection process is critical to that system. The services are charged by Title 10, U.S. Code, to select the best qualified officers for promotion to the next grade. DODI 1320.14 states that board members must certify that they "carefully considered the records of each officer whose name was submitted to the board." Any methodology for consideration of officers below the zone that does not afford board members the same amount of time for every BZ file, as is afforded to In and Above Zone files, or utilizes a practice to rapidly screen through BZ candidates, is not in keeping with the intent of the statute, or the DODI. A rapid screening of a BZ file would not constitute "careful consideration", and it would invite opportunities for you to overlook the best qualified officers Integrating BZ candidates into the In and Above Zone populations for the purpose of careful and unbiased consideration, and voting, would meet the intent of the law, and would only marginally increase the length of your promotion selection boards. After such proper consideration, statutory limitations on the number of BZ selectees could then be applied. Please describe for me your practice for considering officers for promotion from below the zone, and inform me how much additional cost you would incur if a modification to properly consider Below Zone candidates is needed, and if you are willing to make such a modification to increase the integrity of your promotion selection board system.

Answer. Every below the zone officer is considered without prejudice or partiality in accordance with DODI 1320.14 and the Secretary of the Army's written instructions to the board. The Army's process for selection of officers from below the primary zone of consideration is well established, trusted, and has proven over the years to offer opportunity for exceptionally well qualified officers to advance in accordance with their demonstrated potential for increased responsibilities ahead of their peers. Our process provides a careful consideration of all below-the-zone candidates to determine those with the highest likelihood of competing for selection with officers in the primary zone of consideration. Once the highest potential below-

the-zone officers are identified, their files are compared to officers within the primary zone and the board selects those who will displace officers for selection for promotion. The Army's process properly considers officers for selection from below the zone. Board members certify to the Secretary of the Army that their deliberations and evaluation of officers' files were thorough and careful, and that the board process was conducted in accordance with the Secretary's guidance. We are in compliance with the spirit and letter of both law and policy.

U.S. MUNITIONS LIST

The Administration's proposed rule change to the United States Munition List (USML) Category XII, which would remove International Traffic in Arms Regulations (ITAR) protections for the export of night vision component technologies, would allow U.S. companies to sell night vision component technologies to foreign companies. It is my understanding that those companies, in turn, could use those components to create and sell night vision systems that exceed the capabilities of many of the systems available to U.S. forces. For instance, the integration of 2000 FOM image intensification tubes with commercially available PVS-14 Night Vision Monoculars would create a night vision system with better performance than the systems available to 90% of U.S. forces, according to my understanding. Similarly, 1920 x 1200 HD Focal Plane Arrays combined with COTS thermal imaging sights could create high definition thermal weapon sights 600% more capable than those used by the U.S. military. In light of the ease with which these systems can be converted, changing the ITAR restrictions could amount to selling our nation's night vision advantage, thereby placing our Soldiers at greater risk. Given the technological threat posed by the change in ITAR classification of night vision components, please answer the following:

Question. Is it appropriate to use rulemaking to bypass the ITAR to allow the commercial sales of night vision technology and, potentially, other technologies used in combat?

Answer. Yes, it is appropriate to use the rulemaking process to modify the International Traffic in Arms (ITAR) as required by Section 38 of the Arms Export Control Act. To date, 15 Categories of the ITAR have been revised using this process. The proposed modifications to the ITAR are part of the ongoing Export Control Reform (ECR) that has been briefed to Congress and has been in progress since 2010. The re-write of CAT XII is consistent with the tenants of ECR. ECR implements the administration policy of higher fences around fewer things. The federal rule-making process provides for the broadest engagement with the public, the administration, and the Congress to understand the proposed changes to the ITAR.

Question. Should documented performance thresholds be established so that the most sensitive technology will remain with the U.S. Military?

Answer. No, the most sensitive performance thresholds should not be published in the public domain, as this could reveal capabilities, vulnerabilities, or classified information. The control of technology requires descriptive parameters that allow the exporter to understand what is on the International Traffic in Arms Regulations or the Commerce Control List, without compromising capabilities.

Question. What office within the U.S. Army and the Office of the Secretary of Defense has responsibility for ensuring technology sales do not erode U.S. military superiority and advantage?

Answer. The protection and safeguarding of our soldiers and maintaining our overmatch across all warfighting domains are the responsibility of everyone within the Department of Defense.

Within the Headquarters, Department of the Army, the Secretary of the Army has delegated the responsibility to Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(ALT)) for developing, coordinating, and promulgating Army export policy. The Deputy Assistant Secretary of the Army for Defense Exports and Cooperation, under the guidance and control of the ASA(ALT), drafts and coordinates proposed export policies with Headquarters, Department of the Army staff agencies to include Operations, Intelligence, Force Development, Cyber, and relevant field activities.

Within the Office of the Secretary of Defense, the responsibility is delegated to the Defense Technology Security Administration (DTSA), under the guidance and direction of the Under Secretary of Defense for Policy.

Using the interagency integrated software application, USXPORTS, DTSA staffs and coordinates commercial export requests with relevant agencies and military departments and responds to Department of State or Commerce with a Department of Defense position.

Question. Should the DOD and State Department retain an oversight role to ensure sensitive night vision technologies are protected?

Answer. The administration has integrated the interagency review of proposed exports, such that all agencies can review and comment on exports, including night vision devices, through a single integrated information technology system. The Department of Defense provides comments on proposed exports through this system to the process owner and can monitor exports and trends.

Question. Has the Army, or the Office of the Secretary of Defense, solicited written feedback from U.S. Combatant Commanders regarding whether the sale of these items poses a danger to our deployed troops? If not, I ask that you do so.

Answer. Yes, the Office of the Secretary of Defense and the Joint Staff solicited written comments from the Combatant Commanders.

SHORE DEFENSES

Question. I wish to follow up my questions from last year with a further inquiry, and update, on how Army current and emerging capabilities can contribute to shore defense. In addition to projectiles from, for example, the Paladin, to hit targets on land, and perhaps landing craft, what kinds of technology investments are being made by AMRDEC to help shore defenses defeat high-end, moving, heavily defended, and offensively capable warships?

Answer. The U.S. Army's Aviation and Missile Research, Development and Engineering Center is investing in adapting existing Army and Marine Corps High Mobility Artillery Rocket System and Multiple Launch Rocket System systems to provide a land-based offensive surface warfare capability. In addition, we are developing technologies such as sensor, datalink, and payload components to engage and defeat mobile surface vessels. A prototype system will be demonstrated in Fiscal Year 2021, which will provide a basis for cost-capability trades for an objective system. This effort will enable Army forces to support joint force freedom of movement and action through the projection of power from land into the maritime domain.

ARMY OPERATING CONCEPT

Question. How is the Army rebalancing personnel allocations, maintenance, modernization and S&T programs to accommodate the new Army Operating Concept?

Answer. The Army Operating Concept (AOC) guides future force development through the identification of capabilities that the Army must possess to accomplish missions in support of policy goals and objectives. In addition to shaping the types and quantity of forces we will need, it is also informing our modernization and S&T efforts as we pursue capabilities in key areas of aviation, command and control network, integrated air missile defense, combat vehicles, and emerging threats programs.

TECHNOLOGY DEVELOPMENT

Question. What are the Army's specific strategies associated with the development of space, cyber, electronic warfare, position, navigation and timing (PNT) and missile defense technologies and capabilities to address near term and sustained threats?

Answer. The Army's strategy to enhance near term space, PNT, and missile defense capabilities includes multiple lines of effort. In the space arena, the Army is pursuing several modest small satellite technology development and demonstration programs for the tactical warfighter to include: beyond-line-of-sight communications; collection of imagery data to support battlespace awareness, battle damage assessment, and precision targeting; enhanced command and control; space laboratory capabilities to evaluate and test potential technologies; and several space superiority efforts. In the cyber domain, technology development initiatives include: achieving mission assurance in a cyber-contested environment; ensuring cybersecurity is addressed as a design consideration early and throughout the system development lifecycle; integration of emerging vulnerability assessments; implementation of rigorous supply chain security policies and capabilities that address counterfeit components and malicious tampering; integration of cyber into operational exercises and workforce training; and continuous evaluations of cutting edge cyber technologies which enhance existing protection methods and tools. Strategies to support missile defense include the development and demonstration of technology to both identify and defeat missile threats with conventional strike and directed energy applications. The Army continues to enhance its EW position through a range of programs and initiatives. The Integrated Electronic Warfare System (IEWS) will provide EW officers the ability to accurately discriminate friendly and enemy transmissions—in ef-

fect, to manage the EW spectrum. The Multi-Function Electronic Warfare (MFEW) system will provide electronic attack and electronic warfare support capabilities, with initial operational capability (IOC) expected in FY23. In August 2016, the Army will, for the first time, incorporate a contested EW environment into 4th Infantry Division's National Training Center rotation 16–08, with the ultimate goal of incorporating EW into all future CTC rotations.

MISSILE TECHNOLOGY

Question. Please provide your short and long term development plans for the Modular Missile Technology Program, which offers the potential to engage targets for which the Hellfire Missile is used, at greatly reduced costs per missile.

Answer. The Modular Missile Technologies (MMT) Program is developing a Modular Open Systems Architecture suitable for guided munitions. The MMT concept allows for the assembly of multiple configurations from a common set of subsystems in order to reduce life-cycle costs in all phases and evolve the system rapidly to address an ever-changing threat. To demonstrate the feasibility of the concept and simultaneously address several Army Aviation lethality gaps, MMT's first configurations are a 25-pound guided forward-firing missile and a 10-pound drop/glide munition suited for the air-to-surface mission against personnel and lightly armored targets. A planned mid-term effort will add additional seeker capability to provide a 25-pound multi-role forward firing variant (air-to-air and surface-to-surface). Additionally, a 20-pound unguided forward-firing variant is planned to address area targets. Longer term, the Army has plans to apply the MMT concept to larger missiles as well. Each of these missile development efforts is being coordinated with current and future Army Aviation rotary wing and Unmanned Aerial System platform development efforts to ensure maximum commonality across the fleet over time.

Question. What is the status of the Hellfire inventory, procurement, and stockpile for the next five years?

Answer. The following reflect the inventory and status for the next five years:

Longbow*: Fiscal Year (FY) 2016: 10,702; FY 2017: 10,940; FY 2018: 9,693; FY 2019: 8,697; and FY 2020: 6,899.

Joint Air to Ground Missile (JAGM)**: FY 2016: 0; FY 2017: 0; FY 2018: 180; FY 2019: 624; and FY 2020: 1,125.

Laser**: FY 2016: 10,222; FY 2017: 10,382; FY 2018: 11,138; FY 2019: 10,668; and FY 2020: 10,443.

For a total of: FY 2016: 22,940; FY 2017: 23,339; FY 2018: 23,029; FY 2019: 22,008; and FY 2020: 20,487.

The Army is currently procuring 114R laser Hellfires and transitioning to JAGM starting in FY 2018. The production for this is as follows:

JAGM: FY 2016: 0; FY 2017: 0; FY 2018: 180; FY 2019: 624; and FY 2020: 1,125.
Laser: FY 2016: 816; FY 2017: 2,025; FY 2018: 22,236; FY 2019: 1,421; and FY 2020: 530.

* Fire and forget variant fired off AH–64D platforms

** Fired off all air platforms

[CLERK'S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Carter and the answers thereto follow.]

SIZE OF THE FORCE

Question. Given Army rotation policies, existing commitments, and the need to be prepared to handle numerous near simultaneous events, what concerns do you have that a total force of 980,000, with an active Army of 450,000, could be strained beyond capacity?

Answer. We have grave concerns a 980,000 total force will not have the capacity to meet overall demand. In 2014, Army leadership stated a total force of 980,000 mitigated current and future threats at significant but manageable risk as long as the assumptions of the 2014 Quadrennial Defense Review proved valid. Those assumptions have proven wrong as evidenced by the rise of ISIL, aggressive actions by revanchist Russia, the continuation of Army operations in Iraq and Afghanistan, and the growing possibility of interstate war in multiple theaters. Based on current and anticipated future conditions, the cost in time and casualties would be high. As a result, we rate our current military risk as high and strategic risk to be significant and trending high.

Question. What are the operational implications and strategic limitations associated with a force this size should a major conventional combat operation ensue on

the Korean Peninsula in light of our current requirements in Iraq, Afghanistan, and Europe?

Answer. If a force of this size is called to conduct major conventional combat operations on the Korean peninsula in addition to sustaining current requirements in Iraq, Afghanistan, Europe, and elsewhere, Strategic implications of a major conventional combat operation would include the need for full mobilization of the reserve component, the potential need to rapidly grow the force, reduced capacity to address emerging demands, and high risk to strategic objectives. All of this will increase the time it takes to meet combatant command timelines, possibly jeopardizing meeting those timelines, in support of operational plans and will translate into higher casualty rates and difficulties in providing replacement forces within current deploy: dwell policy guidance.

ERI

Question. Secretary Murphy, have you decided where the Prepositioned Stock identified for the European Reassurance Initiative is coming from? Is it primarily from depots within the United States, or is it going to come from one of the nine ABCTs stateside?

Answer. Based on current projections, the Army will procure new equipment for approximately one-third of the requirements to support Army Prepositioned Stocks (APS) APS-2 growth. The remaining equipment requirements will be sourced from internal Army redistribution and unit inactivations or conversions. Detailed sources of equipment for the new European-based APS are: 42 percent—depot stock; 33 percent—procurement of new equipment; 11 percent—81st Armored Brigade Combat Team (BCT) conversion to a Stryker BCT; and 14 percent—other Army excess redistribution.

WARFIGHTER INFORMATION NETWORK-TACTICAL

Question. Can you outline the reasoning behind the reduction in funding request for the WIN-T system?

Answer. This is all about prioritization during a fiscally constrained period. The Army's Fiscal Year (FY) 2017 funding request for Warfighter Information Network-Tactical (WIN-T) is \$427 million, \$268 million less than the FY 2016 request of \$695 million. The Army is committed to the WIN-T network modernization capability, but had to slow WIN-T, Increment 2 procurement. The difference in WIN-T funds from the FY 2016 request to FY 2017 is largely a result of balance within the Army portfolio. There is also a need to address other emerging priorities such as Cyber Defense Funding, and Cryptographic Modernization of Legacy Radio Systems Improvements.

Question. Is this system still an Army priority?

Answer. The Warfighter Information Network-Tactical remains an Army priority and is the backbone of the Army Tactical Network. Our strategy is to continue to procure and field this critical system while we continue to make improvements: reducing weight, increasing performance, and Soldier usability.

Question. What is the outlook for this system over the next five years?

Answer. Warfighter Information Network-Tactical (WIN-T), Increment 1, (first phase of program) is fully fielded to 199 Army units including Divisions, Corps, Brigade Combat Teams, multi-functional support brigades, and Expeditionary Signal Battalions. WIN-T Increment 2 (current phase) has been fielded to 14 Brigade Combat Teams and 6 Divisions. Over the next five years, the Army will continue to field WIN-T, Increment 2. WIN-T Increment 2 end state will field to 18 Divisions, 56 Maneuver Brigades, and 37 multi-functional support brigades.

REGIONAL TRAINING INSTITUTE

Question. General Milley, can you please provide an update on progress to establish a Regional Training Institute on Fort Hood?

Answer. The Army National Guard is currently meeting all training requirements without a Regional Training Institute (RTI) at Fort Hood, and the Texas Army National Guard does not currently have an approved stationing plan for an RTI at Fort Hood. The Texas Army National Guard has indicated an interest in moving its RTI from Camp Mabry in Austin to Fort Hood, but has not yet provided a formal request to the National Guard Bureau or the Army to consider.

The National Commission on the Future of the Army provided three recommendations in its final report related to institutional training capacity, which the Army is currently considering. Specifically, Recommendation 43 calls for the Army to "establish true regionalization of the Army's school system and continue to consolidate

the infrastructure where efficiencies can be gained." Any requests to grow additional training capacity must be viewed holistically with other Army regional capacity if we are to realize any savings from the One Army School System.

[CLERK'S NOTE.—End of questions submitted by Mr. Carter. Questions submitted by Mr. Visclosky and the answers thereto follow:]

PERSONNEL RADIATION DETECTION CAPABILITY

Question. General Milley, there is a genuine concern with terrorists trying to procure nuclear material for bomb making purposes. Clearly this scenario puts America's service members at potential increased risk of radiation exposure. The threat at home via dirty bomb or incident at nuclear facilities is no less dangerous.

Is it correct that the majority of the Army's personal dosimeters and radiac sets, developed in the 1970s, have outdated technology, are obsolete and not able to function in tandem with more modern systems fielded in limited numbers over the last several years?

Answer. Yes. Lessons learned from DoD's response to assist Japan after the Fukushima nuclear reactor incident indicated the need for Joint interoperability and common units of measure, whereby the Army began working with the Navy to select the Joint Personnel Dosimeter-Individual (JPD-I) as its future personal dosimeter. The JPD-I will have enhanced capabilities over legacy tactical radiological dosimetry systems. These include a real-time display of dosage using common units of measure, interoperability with Nett Warrior to periodically transmit the Soldiers' exposure data up the chain of command to facilitate decision making on troop safety based on soldiers' radiation exposure status, the ability to electronically transmit post exposure data to the Army's Dosimetry Center, and interoperability with the Department of the Navy during future operations. The Army will begin fielding the JPD-I in Fiscal Year 2020.

Question. Are these older dosimeter systems able to measure and record the range of radiation dose presented by nuclear threats faced by service members today?

Answer. Yes. However, the legacy DT-236 or DT-236A wrist watch individual dosimeter does not provide a real time display of the soldiers radiological exposure. The DT-236A must be read at the company level by the AN/PDR-75 or AN/PDR-75A dosimeter reader, which is a standalone device that is not interoperable with Nett Warrior or any other modernized Army systems. The legacy system requires the soldier to report to the company headquarters away from his or her battle position so that the dosimeter can be read by the dosimeter reader, which may not occur for days or weeks on the modern distributed battlefield based future concepts of operations. Additionally, the DT-236/236A must be mailed back to the Army Dosimetry Center at Redstone Arsenal after the soldiers deployment so that it can be evaluated and a dose of record determined and entered into the soldiers medical record, which is both time consuming and costly. The older DT-236 lacks adequate sensitivity for it to be used to determine the actual dose of record.

Question. If there are potential shortfalls in the Army's current radiation detection capabilities, what is the acquisition plan to field more modern dosimeters capable of providing all service members a legal dose of record of radiological exposure over the entire length of their careers? Is that a Total Force acquisition plan?

Answer. Yes, our approach is a Total Force acquisition plan. The Army currently has sufficient stocks of legacy AN/PDR-75 and AN/PDR-75A systems to provide tactical radiological dosimeter capability to the Active, Guard, and Reserve components. However, the Army will begin fielding the Joint Personnel Dosimeter-Individual to the Active, Guard, and Reserve components in Fiscal Year 2020.

ARMORED BCT/INFANTRY BCT

Question. General Milley, during your testimony you stated there is a study with the U.S. Army Training and Doctrine Command to determine whether the U.S. Army should convert one IBCT to an ABCT. In the Army's presentation of the FY17 Budget Roll-Out, the brief highlights Operations and Maintenance (Regular Army) funding to convert one Stryker BCT to an Infantry BCT. Considering the planned build-up of Army forces in eastern Europe as part of the European Reassurance Initiative, what type of BCT footprint do you see more applicable to the challenges in that theater?

Answer. European Reassurance Initiative funding will enable the Army to maintain persistence presence of an Armored Brigade Combat Team in Europe year-round in addition to the permanently stationed Airborne Infantry Brigade Combat

Team and Stryker Brigade Combat Team which are already in Europe. Having three different Brigade Combat Teams in Europe will give U.S. European Command (EUCOM) the maximum flexibility to respond to a variety of challenges in theater. European Reassurance Initiative funds will also be used to build an Armored Division static unit set of Army prepositioned equipment that will include one additional Armored Brigade Combat Team, a Fires Brigade, and Division Headquarters in 2017, followed by other division level enablers such as a Sustainment Brigade, Air Defense Brigade, and ammunition over the next several years. This static unit equipment set will enable a rapid build-up of additional forces in theater if required. This footprint will improve EUCOM's ability to deter Russia and assure our allies and partners. The Army is committed to working with the EUCOM Commander to meet any emergent requirements he may have.

Question. Is that included in the FY17 budget, or do you expect to refine ERI budget initiatives in future budget submissions?

Answer. Yes, the Army's Fiscal Year 2017 European Reassurance Initiative budget request enables the Army to provide the Armored BCT with enablers and to begin buildup of the static set, which will take multiple years to build. We are continuing to refine our equipping plan to ensure we can provide the set in a way that avoids degrading unit readiness by taking equipment from units that need it for training, but is still reasonably economical. As we refine the plan we will ask for your help in making minor adjustments to realign the resources we have requested among multiple appropriations.

[CLERK'S NOTE.—End of questions submitted by Mr. Visclosky. Questions submitted by Ms. McCollum and answers thereto follow:]

BASE REALIGNMENT AND CLOSURE (BRAC)

Question. Secretary Murphy and General Milley, the Department of Defense has proposed a new round of BRAC in 2019 stating the need to cut excess infrastructure in order to reduce costs.

In fact, just yesterday this committee heard from the Secretary of the Air Force that up to 30 percent of their infrastructure is estimated to be in excess. 30 percent!

Now, I'd like to quote from your written testimony submitted to the committee for today's hearing.

"The Army maintains 154 permanent Army installations, and over 1100 community-based Army National Guard and Army Reserve Centers worldwide. Regrettably, we estimate an annual burden of spending at least \$500 million per year on excess or underutilized facilities."

Half a billion dollars is an incredible amount of money to spend on maintaining facilities that the Army does not want or need.

Question. Gentlemen, can you expand on the extent of excess facilities in the Army?

Answer. At a Total Army of 980,000, we estimate the excess building footprint at about 170 million square feet, or 21 percent excess capacity. The vast majority of excess capacity is not in empty buildings, but in underutilized buildings that are partially full.

It costs about \$0.30 per square foot per year to provide very basic maintenance at an empty building (i.e., pest control, perimeter fence, boarding up windows). It costs about \$3.00 per square foot per year to sustain and maintain a partially occupied building. A modest renovation project can cost roughly \$30 per square foot. Demolishing and replacing a dilapidated building can often cost \$300 per square foot.

The Army cannot carry excess capacity costing over half a billion dollars per year indefinitely. Good buildings, which can be better utilized at our highest military value installations, are deteriorating faster than they should be because we lack the resources to keep them all maintained properly. We need BRAC authority to analyze what types of excess exist at each installation, and to develop recommendations to best consolidate into our highest military value installations. By closing some lower military value installations, we will realize significant reoccurring savings in the intermediate and long term.

Question. How does this continued waste of resources affect your long-term readiness, and how much would another round of BRAC save for future budgets?

Answer. Facilities needed to support readiness, training exercises, airfields, and other priorities are deteriorating, while resources are diverted supporting installations that could be closed. The Army cannot carry excess infrastructure costing over half a billion dollars per year indefinitely. Good buildings are deteriorating faster than they should because we lack the resources to keep them all maintained properly.

Half a billion dollars in savings represents the annual personnel costs of about 5,000 Soldiers, about the number assigned to a Stryker Brigade Combat Team. It represents five annual rotations at the Army's Combat Training Centers (CTC), which are the foundation of Army combat readiness.

Until we get the BRAC authority to analyze what types of excess exist at individual installations, and develop recommendations on how to best consolidate into the highest military value installations we have, we do not know which lower military value installations should be closed and/or realigned. However, we do know BRAC is a proven process producing significant reoccurring savings of roughly \$2 billion per year for the Army, as validated by the Government Accountability Office. A future BRAC round will save the Army hundreds of millions of dollars per year. Once the up-front costs are paid, the intermediate and long-term savings from BRAC can fund any number of important Army warfighter initiatives, including force structure, additional CTC rotations, and modernization.

ARMORED MULTIPURPOSE VEHICLE (AMPV)

Question. Mr. Secretary, in full disclosure, I was a proponent of a wheeled AMPV ambulance—using the Stryker—as viable and cost effective alternative to a tracked “armored multipurpose vehicle.” The Army decided to move forward with the Bradley fighting vehicle derivative and in FY2014 the President’s budget stated the AMPV total cost at \$10.8 billion. The FY17 budget now has the program’s cost at \$12.9 billion—a \$2.1 billion increase. What’s the cause of the cost increase?

Answer. The Armored Multipurpose Vehicle (AMPV) program has not experienced a cost increase from its approved baseline, established in May 2015. The Fiscal Year (FY) 2014 President’s Budget was based upon an early program estimate. Much of the uncertainty regarding program assumptions were clarified by the FY 2015 President’s Budget. The Cost Assessment and Program Evaluation’s Independent Cost Estimate at Milestone B, on December 22, 2014, established the program’s cost caps and funding levels and were reflected within the AMPV Acquisition Program Baseline. The program is on schedule and operating within the cost baseline established at Milestone B and as reported in the latest Selected Acquisition Report submitted to Congress in August 2015.

Question. Do you expect future cost increases?

Answer. The Army does not expect future cost increases on the Armored Multipurpose Vehicle (AMPV) program. AMPV is a low technical risk program that continues to execute within the cost baseline established at Milestone B and as reported in the latest Selected Acquisition Report submitted to Congress in August 2015.

Question. Finally, is there a plan “B” should this program become non-viable from a cost, schedule or performance perspective?

Answer. The Army is committed to the Armored Multipurpose Vehicle program to replace the M113 vehicles in the Armored Brigade Combat Teams in accordance with our Combat Vehicle Modernization Strategy. The program remains within its cost, schedule, and performance baseline and maintains low technical risk. If warranted, the Army will execute tradeoffs consistent with the acquisition strategy to ensure the program remains viable.

[CLERK’S NOTE.—End of questions submitted by Ms. McCollum. Questions submitted by Mr. Ruppersberger and the answers there-to follow:]

JLENS

Question. Secretary Murphy, JLENS has been a major concern of mine and for my constituents in Maryland’s Second Congressional District. According to a recent Army report, this incident was caused human error, procedural issues, and design flaws. Because of the incident in which JLENS broke free of its mooring, that my constituents now fear not only for their own personal safety, but for the value of their homes and property. In this setting, I will say that I understand the purpose of having this capability. What I do not understand is why this program has remained a funding priority for the Army despite a recent report by Operational Test and Evaluation Command finding “system-level reliability . . . not meeting the program’s goals” and “problems related to the timely passing of” radar targets from JLENS to NORAD, and despite JLENS being a *NORTHCOM* program, who if I’m not mistaken, should be funded through the Air Force’s budget.

In this budgetary environment, can you explain why the Army still deems this program worthy of a \$45M budget request for FY17, over three times higher than the FY16 appropriated amount?

Answer. The Army's Fiscal Year (FY) 2016 budget request was \$40.565 million and received a \$30.000 million congressional mark due to the accident resulting in a delay to the exercise schedule. The FY 2017 request of \$45.482 million supports implementation of corrective actions and re-initiation of participation in the operational exercise (OPEX). The Army is currently executing an orderly shutdown of operations and assessing multiple courses of action pending operational decisions regarding the future of the capability and disposition of the OPEX. The Army is also evaluating whether the FY 2017 request will be sufficient to fund corrective actions and re-initiation of the exercise.

Question. Can you confirm, on-the-record, that regardless of where this program winds up, the Army and its partners have taken the necessary precautions to ensure that a similar aerostat mishap will not occur again over American soil?

Answer. Yes. Safety continues to be emphasized and enforced for Joint Land Attack Cruise Missile Elevated Netted Sensor System (JLENS). The Army conducted a thorough investigation of the 20 October 2015 JLENS incident to determine the likely root cause and any contributing factors. Once the investigation results are approved, the necessary precautions, based on the findings and recommendations, will be taken to minimize the likelihood of a similar incident. Aerostats are subject to the same risks as all aviation platforms.

Question. Has the Army, or as far as you know NORTHCOM, considered alternative locations for the placement of JLENS away from a significant population center? I would recommend that the Department of Defense consider conducting such a study.

Answer. Yes. The Army, in consultation with NORAD/NORTHCOM (N/NC), conducted detailed analysis to determine the best solution to replace the JLENS capability for the defense of the National Capitol Region (NCR). The location that was ultimately selected by the Army, Joint Staff and N/NC was based on criteria that included operational suitability and available locations for defense of the NCR. Available airspace to operate in was the deciding factor, along with facilities (land available), physical security and support structure (power, soldier support, communications, etc.).

Upon completion of the now-suspended OPEX, it was presumed that N/NC would assess the performance of the persistent overhead surveillance and fire control radars, determine if a capability like this was needed as an enduring capability for NCR defense, and potential siting locations that would optimize radar coverage and employment in the future.

FACILITIES REDUCTION PROGRAM

Question. General Milley, the Army's Unfinanced Requirements List was recently leaked by a news source known as Breaking Defense. The Army has requested \$1.362 billion in installation support funding. This is undoubtedly a result of years of deferred maintenance, leading to a large backlog of property that needs to be either demolished or recapitalized. The Facilities Reduction Program account has been hit particularly hard, resulting in abandoned and derelict buildings at installations across the nation. I'm certain some of them are within the districts of Members of this subcommittee. For instance, I have blocks of vacant buildings at the Edgewood Chemical Biological Center at Aberdeen Proving Grounds. Not only are they a safety and environmental concern, but they cost the Army approximately \$600,000 per year to maintain and secure.

How does the FRP account stand to benefit if this unfinanced requirement were funded?

Answer. The unfinanced request includes additional funding for the Army's Facility Reduction Program. If Congress provides additional funding, the funds could be used to dispose of many excess and obsolete real property assets, reducing annual operating and maintenance costs while supporting the Army's Facility Investment Strategy.

Question. My staff was recently briefed on the metrics that the Army uses to prioritize these sites under FRP. I would like to request a copy of the priority list be provided to my staff to gain a better understanding of how this funding is being obligated.

Answer. The Army's Unfunded Requirements (UFR) list contains an additional \$15.7 million for the Facilities Reduction Program (FRP). This amount would fund roughly an additional 150,000 square feet in facilities demolition. The Army's strategy is to assume risk throughout its installations portfolio, including the FRP. This

strategy is a direct result of the budget constraints contained in the Balanced Budget Act. It is also the cause of the facilities reduction backlog, which is approaching 20 years at current funding levels. The Army's current FRP contains an estimated 47 million square feet across more than 7,700 facilities, at a cost of \$517 million. Aberdeen Proving Ground's FRP requirements are approximately 1.2 million square feet with an estimated cost of over \$600 million. The Army is currently working on an FRP priority list for FY 2017. This list will be forwarded to your staff upon completion.

[CLERK'S NOTE.—End of questions submitted by Mr. Ruppberger. Questions submitted by Ms. Kaptur and the answers there-to follow:]

COUNTERING PROPAGANDA/INFORMATION OPERATIONS

Question. What is the Army doing to counter the organized Russian propaganda effort in the Ukraine, Eastern Europe, the Baltics and the U.S.?

Answer. The Army supports the Office of the Secretary of Defense (OSD), the Joint Staff (JS), and U.S. European Command (EUCOM) with trained and ready forces and in countering propaganda with U.S. Army Europe (USAREUR). USAREUR supports EUCOM's Operational Influence Platform (OIP), which utilizes advanced and emerging online technologies to influence specific target audiences through the internet, smartphones, and traditional media.

OIP leverages popular social media platforms to identify and engage key audiences using cutting edge commercial marketing techniques. Relationships, tactics and procedures developed through OIP additionally provide USAREUR the agility to quickly engage critical audiences during contingency operations.

USAREUR leaders in coordination with OSD and JS also support EUCOM's Senior Military Engagement Program (SMEP); highlighting key false comments in order to support public diplomacy, diplomatic conversations, and key leader engagements with allies and partners during military exercises, media events, and face-to-face meetings throughout the eastern EUCOM flank.

USAREUR coordinates and works through EUCOM with independent media to highlight lies or false Russian statements published in their media by means of two on-line and hard copy publications, "per Concordiam" and "Connections" that promote security cooperation and increase allied and partner collaboration and interoperability.

The Army provided forces are the foundation of USAREUR's expansive bi-lateral and multinational exercises aimed to train formations, enhance Alliance interoperability, and reassure Partners and Allies. USAREUR communicates and demonstrates both the military and political will needed to assure and deter through persistent engagement with all Allied and Partner nations, a tiered and multi-faceted communications plans, and utmost transparency on all theater activities.

Increased touchpoints at all levels with Allies and Partners allows for dynamic engagement and communication of our commitment to their security, for the development of situational awareness of the ground level information environment, and transparency of operations. In Fiscal Year 2016, USAREUR will conduct 105 exercises of various sizes; 62 exercises remain to be executed from April to September 2016. Exercises permit senior leader engagements, which demonstrate a holistic view of USAREUR operations and highlight key Russian misinformation tactics.

Question. The U.S./West's effort appears fragmented and underfunded, what do you recommend we can do better?

Answer. The Army supports the Office of the Secretary of Defense (OSD), the Joint Staff (JS), and U.S. European Command (EUCOM) with trained and ready forces and in countering propaganda with U.S. Army Europe (USAREUR). In the Fiscal Year (FY) 2017 President's Budget Request, the Army requests \$2.8 billion to support the European Reassurance Initiative (ERI), a quadruple increase of \$500 million from FY 2016.

If fully funded, the FY 2017 ER1 sets European theater conditions to provide measures for a quick joint response against any threats in the region that could impact U.S. vital interests and allow the Army to demonstrate resolve through: increased theater presence and permit "heel to toe" 12 month rotations; building partner capacity through additional Theater Security Cooperation (TSC) exercises; providing additional Army Pre-positioned Equipment; and enhancing the composition of European Activity Sets, resulting in additional enabler personnel and activities participation in support of TSC exercises.

In FY 2016 EUCOM will spend \$2.1 million on EUCOM's Operational Influence Platform (OIP) and \$1.5 million on EUCOM's Senior Military Engagement Program;

with a \$1.7 million unfunded requirement request for Operational Influence Platform (OIP).

In FY 2017–2021 EUCOM submitted a request for about \$29 million in Base in the Chairman's Program Assessment letter outlining EUCOM requirements with OIP the leading program. The Army Program Objective Memorandum (POM) 2017–2021 funded EUCOM's Operation Assured VOICE program requirements at \$3.1 million.

Operation Assured VOICE harnesses and orients a range of theater information and influences activities to reinforce regional security and establish an environment unfavorable to extremist ideas, recruiting, and support. Operations consist of programs to provide a powerful means to counter Russian aggression, challenge extremist ideology, and prepare for contingency operations.

The Army, as executive agent supported, and the Office of the Secretary of Defense Capability Cost Assessment and Program Evaluation (OSD-CAPE) recommended EUCOM receive \$5 million in FY 2017 ERI Overseas Contingency Operations funds to run a pilot program for EUCOM's OIP. In POM 2018–2022 EUCOM also submitted OIP for inclusion in the CPA letter.

EUCOM received a \$5 million ERI "plus-up" in Program Budget Review 2017, as recommended by the OSD-CAPE Irregular Warfare Issue Team.

Question. What percentage of our EU effort is dedicated to counter-messaging Russian propaganda?

Answer. This question is best answered by the Joint Staff and the Office of the Secretary of Defense as they have greater visibility over the activities of the U.S. European Command and the Department of State's counter-messaging efforts.

Question. How does the Army work with other U.S. government agencies in this effort?

Answer. This issue falls under the purview of the Joint Staff and the Office of the Secretary of Defense (OSD) as the Army and other Services work closely with OSD and the Joint Staff, who in turn work with other government agencies.

Question. What help do you need from Congress to evaluate Russian propaganda capabilities and design a counter strategy?

Answer. The Department of State (DOS) is the lead for messaging and counter messaging and is therefore better positioned to inform Congress about any additional help they may need. Within the Department of Defense, this issue falls under the purview of the Joint Staff and the Office of the Secretary of Defense (OSD), not the Army. Therefore, OSD is better suited to determine how the Department of Defense can assist the DOS.

Question. Who leads the effort to counter Russian messaging in the U.S. government? If no one currently, who should?

Answer. Within the U.S. government, the Department of State leads the effort to counter Russian messaging.

Question. What additional authorizations and funding do you need to successfully counter their messaging effort?

Answer. The Department of State is lead for counter-messaging efforts. The Joint Staff and the Office of the Secretary of Defense would determine if the Department of Defense needs additional authorization and funding to assist the Department of State in their efforts.

STATE PARTNERSHIP PROGRAM

Question. What does this budget do to facilitate growing the State Partnership Program?

Answer. The Fiscal Year 2017 State Partnership Program (SPP) budget does not address SPP growth. The geographic combatant commanders' demand for new partnerships is constant and the new Office of the Secretary of Defense-approved partnerships requested averages two new partnerships per year.

Question. What additional authorities would you need to expand the SPP mission to include humanitarian missions, counter-messaging efforts, and to work with civilian populations in partner countries?

Answer. The National Guard has the adequate legal authorities to engage in humanitarian assistance/disaster response missions (examples include Overseas Humanitarian, Disaster, and Civic Aid Appropriation (OHDACA); 10 U.S.C. 2561—Transportation of relief supplies; 10 U.S.C. 402—Denton Program, Space Available Transport; 10 U.S.C. 404—Foreign Disaster Assistance) and civilian engagement. If we determine we need additional authorities, we will pursue legislation through the Department of Defense.

Question. What effort is there to capitalize on the immense personal ties to this region and capabilities in the U.S. to combat Russian subterfuge and propaganda, particularly in the area of social media and television?

Answer. Questions about U.S. capabilities and efforts to combat Russian subterfuge and propaganda in the region should be addressed to the Department of State. State Partnership Program (SPP) activities and priorities are coordinated to meet the geographic combatant commander's security cooperation objectives. SPP is not the appropriate security cooperation tool for overt intelligence collection or military information support operations.

TITLE 10, 12304B ROTATIONS

Question. Does this authorization (the 12304b mobilization authorization) entitle National Guard Soldiers to all the same retirement, education and TriCare benefits as the authorization currently being used to deploy these Soldiers to Afghanistan or Iraq? Specifically what is different?

Answer. No, the benefits under 12304b are different than the other mobilization authorities. The Department of Defense is pursuing multiple legislative changes to bring the 12304b mobilization authority benefits more closely in line with other benefits provided under the 12302 and 12301(d) authorities, the two most commonly used authorities for deployment purposes.

SURVIVOR BENEFIT PROGRAM (SBP) AND DEPENDENCY & INDEMNITY COMPENSATION

Question. Under current law, a required offset in payment between her Dependency and Indemnity Compensation and her Survivor Benefit Plan annuities, prohibits widows and widowers of active duty service members from receiving the full amount of both.

Should this issue be considered as we look to reform military compensation?

Answer. The Department has carefully reviewed this matter and has consistently opposed proposals to eliminate the offset between Survivor Benefit plan (SBP) annuities and Dependency and Indemnity Compensation (DIC) at government expense for the following reasons:

- Duplication of benefits: Both entitlements are paid by separate departments for the purpose of providing a continuing annuity to survivors of military members or former members. Both benefits are subsidized by the federal government.
- Complementary programs: DIC is a flat \$1,254 per month, plus \$311 for each dependent child (2016). SBP is 55 percent of an elected base amount not to exceed retired pay. The existing entitlement, with offset, ensures that survivors receive the higher value. This sets DIC as a floor for more junior members while allowing more senior members the potential for a larger SBP amount with all the benefits from the tax free aspect of DIC.
- Equity: Allowing concurrent receipt of SBP and DIC without offset would create a group of survivors receiving two government-subsidized survivor annuities. Survivors of most military retirees and survivors of veterans who did not serve to retirement would receive only one.
- High cost: Eliminating the SBP offset for all survivors entitled to DIC would cost the Military Retirement Fund more than \$7 billion over 10 years.

Question. What can DoD do to address this offset?

Answer. The Department has carefully reviewed this matter and has consistently opposed proposals to eliminate the offset between Survivor Benefit plan (SBP) annuities and Dependency and Indemnity Compensation (DIC) at government expense for the following reasons:

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- High cost: Eliminating the SBP offset for all survivors entitled to DIC would cost the Military Retirement Fund more than \$7 billion over 10 years.

MATERNITY LEAVE

Question. What is the Army doing to ensure cultural acceptance of females taking 12 weeks of maternity leave, particularly for senior NCOs and officers?

Answer. On March 1, 2016, the Acting Secretary of the Army published an Army Maternity Policy. This action, coupled with Commanders' enforcement of the policy, will ensure the cultural acceptance of female Soldiers taking 12 weeks maternity leave.

Question. Is there any intention of publishing formal guidance or training materials on this topic to ensure females feel comfortable taking the full allotted time?

Answer. Yes. On March 1, 2016, the Acting Secretary of the Army published the Army's Maternity Policy which states "Commanders may not disapprove maternity leave" and "No Soldier will be disadvantaged in her career, including limitations in her assignments (unless she voluntarily agrees to accept an assignment limitation), performance appraisals, or selection for professional military education or training, solely because she has taken maternity leave."

Question. What do you anticipate as the impact on their career and evaluations as a result of taking 12 weeks off for maternity leave?

Answer. We do not anticipate any negative impact on our female Soldiers' careers and evaluations as a result of taking 12 weeks off for maternity leave.

ENERGY

Question. How does the ES2 strategy address not only installation energy consumption but also operational energy consumption?

Answer. The ES2 vision features a strong, mobile, and flexible force that is housed, trained, and maintained on resilient installations capable of projecting power, unimpeded by disruptions to domestic utilities or land-use constraints. When deployed, these forces accomplish their missions by making optimal use of available resources with the lowest possible logistics footprint and by creating beneficial relationships with local communities. The ES2 Strategy is focused on five goals: inform decisions; optimize use; assure access; build resiliency; and drive innovation. These goals are equally applicable on our installations and in the operational environment.

The Army Operational Energy (OE) Program is a strategy to improve the capabilities of our combat units and increase commanders' freedom of action through better management of energy, water, and waste during operations. Focusing on optimizing use, assuring access, and driving innovation for OE builds capability through extending range and endurance. OE activities that optimize use and assure access include the diversification and expansion of energy and water supply at both CONUS bases and overseas contingencies locations. We are driving innovation by incorporating battery storage into microgrids, whether in CONUS or at contingency locations. This enables us to reduce dependence on logistically delivered energy supplies, and to maximize the impact of incorporating renewable energy. Highly automated microgrids enable us to approach 100% efficiency of the resources we generate. OE-related efforts to increase generation and manage supply chains reduce logistics structure, both on the battlefield and in reliance on resupply convoys—lowering risks to units and Soldiers.

Question. Where are you currently with the goals set by Executive Order 13693?

Answer. The Army is striving to improve the resilience of our installations and operations, to enhance our mission effectiveness. We are actively working to increase energy and water efficiency, deploy renewable energy systems, implement sustainable practices, and increase our climate change preparedness. These actions are consistent with Executive Order (EO) 13693, Planning for Federal Sustainability in the Next Decade, which complements the Department of Defense (DoD) and the Army's commitment to energy security and sustainability.

While EO 13693 takes effect in FY 2016, many of the requirements are a continuation of EO 13514, Federal Leadership in Environment, Energy, and Economic Performance. Given that many new targets are continuations of previous requirements, the Army shows interim progress. In FY 2015, the Army further reduced its total delivered energy by 6.9 percent, for a total reduction of 22.6 percent since FY 2003. The current consumption of 67.1 trillion British Thermal Units (BTUs) is nearly 19.6 trillion BTUs less than FY 2003 levels. The Army decreased goal energy use intensity (EUI) by 2.8 percent to 79.7 thousand BTUs per square foot in FY15. We accomplished this in spite of the removal of over 34.5 million square feet (MSF) of building space from the real property inventory. This is one of the lowest EUIs among all Federal agencies. The Army has installed 158.9 megawatts of renewable

energy capacity to date and currently produces renewable energy equal to 12 percent of total consumption. In FY 2015, the Army decreased potable water use by 1.2 billion gallons from FY 2014, for a total consumption of 32.7 billion gallons. The Army reduced industrial activities, landscaping, and agriculture (ILA) water use by 1.2 billion gallons (21.3 percent) since the FY 2013 baseline. The Army exceeded the FY 2015 fossil fuel reduction goal of 20 percent with a total reduction of 41 percent, which is again one of the highest reductions in the Federal Government.

All of our energy and sustainability efforts continue to focus on increasing resiliency and enabling the Army mission. The Office of Energy Initiatives (OE1) will continue its mission of accelerating the development of 1 gigawatt in large-scale renewable energy projects. The Net Zero Initiative has been expanded to all permanent installations to appropriately steward energy, water, and solid waste for a sustainable future, with continued deliberate use of appropriated and third-party authorities (including Energy Savings Performance Contracting projects through the President's Performance Contracting Challenge). Additionally, the Army is including new efforts to expand energy security considerations across the Army enterprise in support of ES2 and new Federal goals. At the end of FY 2016, the Army, through the Department of Defense, will begin reporting on new EO 13693 requirements as key measures of our progress.

TOTAL FORCE

Question. Is the development and deployment of IPPS-A on schedule and on budget?

Answer. Yes. The IPPS-A program is on schedule and on budget in accordance with the program high-level schedule and Service Cost Position provided to the Milestone Decision Authority at the Milestone B Decision in December 2014.

Subsequent to the Milestone B Decision, the Army awarded the Increment 2 System Integration Services Contract after successfully navigating a five-month contract protest. The IPPS-A program, in coordination with the System Integrator, Army, and the Office of the Secretary of Defense stakeholders, completed an Increment 2 System Requirements Review in October 2015 and a System Functional Review in February 2016 where the business processes and associated functionality of IPPS-A Systems Requirements were validated. The program is now planning for the Integrated Baseline Review in April 2016, at which time the cost, schedule and requirements for Increment 2 system development will be baselined. Following the Integrated Baseline Review, the Army will begin preliminary design activities for Increment 2.

Question. What is being done to ensure it is not a costly failure like DIMHRS?

Answer. The Army is committed to fielding the IPPS-A program in order to solve total force, talent management, and audit requirements. To ensure the Army will succeed, the program is making certain that requirements are stabilized from the beginning and using governance boards (up to 3-Star level) to guarantee the requirements remain stable. Technology delivered today is better than it was seven to eight years ago, thus reducing the number of customizations required.

LEBANON

Question. How do you assess the stability of Lebanon?

Answer. This issue falls under the purview of the Joint Staff and the Office of the Secretary of Defense, and the national intelligence community.

Question. How will the Gulf Cooperation Council declaration that Hezbollah is a terrorist group impact Lebanon's internal stability?

Answer. This issue falls under the purview of the Joint Staff and the Office of the Secretary of Defense, and the national intelligence community.

Question. How does the cancelation of the Saudi Arabian aid package impact the Lebanese Army?

Answer. This issue falls under the purview of the Joint Staff and the Office of the Secretary of Defense, and the national intelligence community.

Question. What military equipment are we currently selling or providing to Lebanon?

Answer. Army-managed military equipment sold/provided to Lebanon over the last 40 months via Foreign Military Sales (FMS) programs include six Huey II Helicopters, 250 Hellfire missiles, 239 Tube-Launched, Optically-Tracked, Wireless-Guided (TOW) 2A anti-armor, and bunker buster missiles, miscellaneous small arms, ammunition, and communications equipment, as well as 72 M198 155mm Howitzers as a Grant via the Excess Defense Articles (EDA) program. Future planned deliveries include: three additional Huey II Helicopters by end of March 2016; equipment as Grant via the EDA program include 24 M109A5 Howitzers and

10 M992A2 Field Artillery Ammunition Support Vehicles (FAASV). Finally, Army is analyzing proposals to transfer 32 M2A2 ODS Bradley Fighting Vehicles (BFV) and 12 OH-58D Kiowa Helicopters to Lebanon via the Counter-terrorism Partnership Fund (CTPF) by Fiscal Year 2017.

Question. Aside from equipment, how are we contributing to Lebanon's fight against ISIL?

Answer. This issue falls under the purview of the Joint Staff and the Office of the Secretary of Defense. However, we note that one Lebanese Officer is enrolled as an International Fellow at the U.S. Army War College.

[CLERK'S NOTE.—End of questions submitted by Ms. Kaptur.]

TUESDAY, MARCH 22, 2016.

FY 2017 NATIONAL GUARD AND RESERVE

WITNESSES

GENERAL FRANK J. GRASS, CHIEF, NATIONAL GUARD BUREAU

MAJOR GENERAL TIMOTHY KADAVY, DIRECTOR, ARMY NATIONAL GUARD

MAJOR GENERAL BRIAN NEAL, ACTING DIRECTOR, AIR NATIONAL GUARD

LIEUTENANT GENERAL JEFFREY W. TALLEY, CHIEF, ARMY RESERVE

OPENING STATEMENT OF CHAIRMAN FRELINGHUYSEN

Mr. FRELINGHUYSEN. The committee will come to order.

This afternoon, the committee conducts an open oversight hearing on the posture of the National Guard and Army Reserves. We are pleased to welcome four distinguished general officers as witnesses.

General Frank J. Grass is the Chief of the National Guard Bureau, a permanent member of the Joint Chiefs of Staff, representing more than 467,000 citizen soldiers and airmen in the Army and Air National Guard. General Grass has appeared before this committee in this capacity on a number of occasions, and it has always been a pleasure to have him here. However, this will be his last appearance before the committee. General Grass is retiring this fall.

General Grass, you have led the Guard through some challenging times. We wish you well in your retirement, and thank you for all the good work you have done on behalf of the men and women of our Armed Forces.

Lieutenant General Timothy Kadavy is the Director of the Army National Guard, consisting of 28 fully capable brigade combat teams. This is General Kadavy's first year to testify before the committee.

Welcome, General.

Major General Brian Neal is the Acting Director of the Air National Guard. This is General Neal's first year to testify before this subcommittee.

General, we appreciate the experience and expertise that you bring to this hearing.

And, finally, we are pleased to welcome the Chief of the U.S. Army Reserve, Lieutenant General Jeff Talley. His units total over 200,000 soldiers. General Talley has testified before this committee many times. Unfortunately, this will also be his final appearance as he, too, is preparing to retire.

Welcome, General Talley, and thank you for your service to our Nation.

And we have discussed repeatedly in this room, the country is facing more serious threats from more sources than at any time since World War II. The ISIS franchise, Al Qaeda, and other terrorist groups are active in the Middle East, North Africa, and, really, literally around the world. Russia continues to menace Ukraine, its neighbors, and our NATO partners. China is rapidly expanding its military and naval and air and space capabilities. In short, no one knows for sure where the next conflict will develop forcing us to respond militarily.

Generals, this country relies now, perhaps more than ever, upon the service of your citizen soldiers and airmen to ensure mission success. Our Guard and Reserve units performed magnificently in Afghanistan and Iraq and continue to do so throughout the world, and the committee would like to commend them for their dedication and time away from home and family.

All these factors make the dedication of our Reserve forces even more laudable. That said, the committee is deeply concerned about their readiness following 15 years of war. We are eager to hear your testimony, which will assist the committee to better determine the needs of the men and women who make up the Guard and the Reserve.

It has been this committee's long tradition to work to ensure that the Reserve component is properly equipped and trained. Even with the recent budget constraints, this committee will continue to do everything possible to ensure adequate funding to enhance readiness for both your homeland and overseas missions.

Generals, we look forward to your testimony, but, first, I would like to call upon your ranking member, Mr. Visclosky, for any comments he may wish to make.

REMARKS OF MR. VISCLOSKY

Mr. VISCLOSKY. Chairman, thank you. I appreciate you holding the hearing.

Gentlemen, I appreciate your service to our country and look forward to your testimony. Thank you very much.

Mr. FRELINGHUYSEN. General Grass, the floor is yours. Thank you for being here.

SUMMARY STATEMENT OF GENERAL GRASS

General GRASS. Thank you, Chairman.

Chairman Frelinghuysen, Ranking Member Visclosky, and distinguished members of this subcommittee, it is a pleasure to be here today with my fellow Guard and Reserve leaders. I am honored to represent the men and women of the National Guard, both Army and Air, their families, communities, and employers who support them.

I would first like to send my condolences to the people affected by the deadly bombings today in Brussels. This act of terrorism on the lives of innocent individuals is a tragic reminder of the security challenges we face both at home and abroad.

The Guard is tremendously appreciative of this committee's support. Your investment has resulted in the finest, most diverse National Guard that I have seen throughout my career.

In countries such as Afghanistan, Djibouti, Iraq, Kosovo, Qatar, the Sinai, and many other locations, our Guardsmen work seamlessly with their Active component counterparts to ensure security around the world. Since 9/11, the Guard has mobilized nearly 780,000 citizen soldiers and airmen, conducting complex operations around the globe.

The experience and capabilities gained from our Federal mission, along with the equipment and leadership skills utilized overseas, yields a highly responsive National Guard here in the homeland, with roughly 3,000 to 4,000 citizen soldiers and airmen on duty every day here in the homeland.

Of course, the success of our warfight and our homeland mission is directly related to the incredible and enduring partnerships with international, Federal, State, and local partners. Our Nation is currently facing unprecedented security challenges both at home and abroad. These challenges come during a turbulent fiscal environment.

Your passage of the Bipartisan Budget Act brought some much-needed relief. However, sequester levels of funding could result in the smallest National Guard since the end of the Korean war. Since that time, our U.S. population has doubled. Your continued investment in training, manning, equipping is needed to maintain the readiness of your National Guard as a combat reserve of the Army and Air Force, the same force that is called upon by the Governors in times of need here in the homeland.

Generals Kadavy and Neal will further elaborate on specific Army and Air Guard issues, so I won't go into too much detail. However, I would like to briefly emphasize a few key points and programs that need your continued support.

First, our Full-Time Manning Program is absolutely critical to delivering the very foundational levels of readiness needed during global and homeland crisis.

Second, our successful State Partnership Program has established enduring partnerships with 76 nations. Many have and continue to participate in coalition operations worldwide and have improved their interoperability with U.S. forces.

Third, our counter-drug program is a crucial tool in the whole-of-government approach to combating transnational organized crime.

Fourth, our National Guard's cyber program provides the Nation with cutting-edge capabilities to protect our Nation's critical infrastructure and systems and utilizes the skills our citizen soldiers and airmen gain through their civilian careers.

Fifth, with roughly 140,000 graduates, the National Guard Youth Challenge Program provides at-risk youth with an opportunity to learn skills, get an education, and have an opportunity in life.

Lastly, I want to thank you for your support of the National Guard and Reserve Equipment Account. Your valuable investment in NGREA enables us to fulfill our domestic and overseas missions.

Your support for these programs as well as other programs that allow us to accomplish our mission and take care of our service members and their families in our communities is greatly appreciated.

Recently, the National Commission on the Future of the Army came out with its recommendations. I thank the Commission for their hard work. Similar to the collaborative effort that followed the Air Force Commission report in 2014, we are working diligently as a total Army to build the strongest ground force possible for this Nation. I would like to offer my sincere appreciation to Acting Secretary Murphy and General Milley for their incredible leadership in this transformative process.

Again, I am honored to be here today representing the men and women of the National Guard and their families who support them. I thank you for your continued support, and I look forward to your questions.

[The written statement of General Grass follows:]

STATEMENT BY

**GENERAL FRANK J. GRASS
CHIEF, NATIONAL GUARD BUREAU**

**BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE**

SECOND SESSION, 114TH CONGRESS

ON

**THE NATIONAL GUARD
AND RESERVE POSTURE HEARING**

MARCH 22, 2016

NOT FOR PUBLIC DISSEMINATION
UNTIL RELEASED BY
HOUSE APPROPRIATIONS COMMITTEE

Opening Remarks

This past fall, I passed my 46th year in uniform and during that time, I have witnessed extraordinary change – change in our military and change in the security environment in which we live. The challenge of maintaining a capable, accessible, and affordable operational National Guard comes at a pivotal time in our history, where the actions we take now will set the course for future generations.

As I visit with our citizen soldiers and airmen in our states, territories and countries where our service members are deployed, I see the most ready, accessible, and capable Guardsmen and units in my 46 years of service. With continued resourcing, I am confident that we will always be ready to fight America's wars, secure our homeland, and continue to forge enduring partnerships.

I visited with Guardsmen forward deployed in Afghanistan, Djibouti, Iraq, Kosovo, Kuwait, Qatar, and the Sinai and enhancing their combat skills at the National Training Center, Joint Readiness Training Center and the Joint Multi-National Training Center in Hohenfels. From Brigade Combat Teams on the ground to expeditionary wings operating in the skies, our Guardsmen help ensure regional stability and security while working seamlessly with our fellow Service members. With nearly 780,000 individual overseas mobilizations since 9/11, the National Guard has proven, time and again, its readiness and warfighting

capabilities.

Building Global and Domestic Partnerships

The leadership, individual and unit skill sets developed from doing complex combat operations enables unsurpassed homeland capabilities and response. As the original homeland security and defense force, our unique array of authorities allows us to respond to the needs of the nation and the states. Whether assisting victims of natural disasters such as wildfires, winter storms, or hurricanes, or working hand-in-hand with state and local leaders and emergency personnel during times of crises, the National Guard is postured in nearly 2,600 communities across America and is the first military force to reach the scene.

Recent cyber intrusions and espionage on our businesses and institutions highlight why cyber is a national priority. The National Guard is at the cutting edge with its cyber capabilities. The skills acquired by our Guardsmen in their civilian capacity is an excellent fit for evolving DoD cyber missions. The National Guard's cyber capacity will play an integral role as we coordinate with state and federal cyber professionals through Army and Air Guard cyber units and continue to grow our cyber forces.

The National Guard enhances its warfighting and homeland capabilities through the partnerships that it builds. We forge close working partnerships with global, federal, regional, and state partners. In

the global sphere, the National Guard's State Partnership Program (SPP), established 23 years ago, continues to flourish and has evolved into enduring partnerships with 76 nations. This program, which pairs individual U.S. states with partner nations, continues to pay huge dividends in establishing long-term security and personal relationships while generating a significant return on investment. For example, 13 SPP partner nations have achieved NATO membership. Overall, National Guard states have conducted 79 co-deployments with their SPP partners to Afghanistan and Iraq. SPP countries in the Middle East and Africa, with collaboration of National Guard state counterparts, are participating in international coalition efforts to combat terrorist and extremist organizations. In the Western Hemisphere, the National Guard and its partners work closely on counter drug programs to help stem the flow of illegal drugs into this country. A true measure of the program's success is underscored by the successful transition of many of our SPP partners from security consumers to security providers, and the enhanced interoperability with our military.

During this past year, the SPP continued its expansion by formalizing two new partnerships between Kentucky-Djibouti and Massachusetts-Kenya. SPP partnerships stand as some of the strongest and most effective security cooperation relationships in the world. The SPP delivers wide strategic benefits by reducing the staggering costs of the U.S. going it alone. These partnerships are grounded in common

interests and shared values. They develop strong bonds of cooperation, understanding, and trust that enable us to work together effectively to meet the evolving security challenges of this new century.

We look forward to continued expansion of the program and will work closely with the Department of Defense, geographic combatant commands, and the Department of State in addressing future challenges, enhancing capabilities, promoting interoperability, and furthering the progress we have made with our partner nations.

In the homeland, we forge close partnerships with local, state, and federal agencies to prepare for contingencies and disasters that may strike at home. We also work with individual geo-specific consortiums such as those created for the Cascadia Subduction Zone and the New Madrid Seismic Zone. In our communities, our Guardsmen, in both their civilian and military roles, are active with programs and services such as Youth ChalleNGe, Joining Community Forces, and rendering military funeral honors for veterans. These programs provide critical support to families and individuals when they need it the most. For example, Youth ChalleNGe is an alternative program for high-school drop-outs to learn life skills and earn a high school diploma or equivalency. Since the start of the ChalleNGe program in 1993, we had more than 140,000 graduates; better posturing high-school drop-outs to becoming more productive citizens.

The threats we face at home and abroad today are unprecedented in their scope and variety. The recent terror events of Paris and San Bernardino, Calif., the rise of China and its ambitions, the regional challenges posed by a resurgent Russia, cyber attacks on our homeland, and an exploding migrant and refugee situation that has engulfed the borders of many nations around the world are just some of the issues we see in the headlines on every major newspaper around the world.

These global realities are intertwined with changes in our society that come at extraordinary speed, have undefined borders, and coincide with a modern American public that has higher expectations of its military. We face these realities within a daunting fiscal environment that requires us to balance the need to keep Americans safe against budgetary constraints and increasing national debt.

Within this security backdrop, it is more important than ever to ensure America has a resourced National Guard that can be a critical component of the solution during these uncertain times. The Guard is a cost-effective, scalable, operational force that preserves capability and capacity, rather than forcing the nation to choose between them. Resourcing the operational National Guard leverages the tremendous value the Guard provides America with a force ready to meet our domestic and overseas requirements.

The National Guard is also setting an environmental example within the DoD. Embracing the motto to “make training lands accessible to Soldiers,” the Florida and Minnesota Army Guard environmental programs earned DoD-level recognition. Florida’s Camp Blanding Joint Training Center was lauded for their natural resources conservation efforts to protect 39 threatened and endangered animal and plant species. The endeavor provided the four military services and state agencies access to the 73,000-acre training installation. Minnesota’s Camp Ripley earned DoD’s highest award for their sustainability initiative to install solar panels, reducing their installation’s energy consumption by 45 percent. Such money-saving efforts help combat the reduction of programmed resources and enable greater readiness.

The Army National Guard and the U.S. Army are making the readiness of the “Total Army” a top priority. The Director of the Army National Guard established four lines of effort designed to enhance that readiness: leader development; ready forces; operational forces; and resilient communities. Leader development seeks to mold competent leaders of character who inspire, plan and execute our dual-mission. Ready Forces is an effort to ensure we continue to recruit and retain quality, deployable Soldiers. As an Operational Force, it’s imperative that our resourcing and policies allow the Army Guard to seamlessly blend with the Army to perform any mission assigned. Finally, our Soldiers and their families are part of a Resilient Community because of substantial

investments made to programs that support their needs and recognize their service. As part of each line of effort, accountability is integral to ensuring our success. Accountability demands ethical decision making, transparent processes, thorough oversight and fiscal responsibility.

We need to ensure our Soldiers are trained to project land power anywhere our nation requires, within appropriate timeframes. Units across all three components of the U.S. Army must remain interoperable. Our military and civilian leaders require and deserve a full range of options to address the threats and instability our nation faces today, both at home and abroad.

The Air National Guard continues to make significant contributions to our national security at home and abroad. Overseas, the Air National Guard provides both operational combat and support capabilities to warfighters that meet our nation's defense objectives. Guard Airmen supported more than 9,000 deployment requirements to 56 countries and on every continent last year. At home, the Air National Guard secures America's skies as the primary force supporting the North American Aerospace Defense Command. Simultaneously, Guard Airmen respond daily to requests from their local communities for assistance during emergencies and times of need. The Air Guard will continue to answer our nation's call by adapting to the nation's 21st century security needs.

Closing Remarks

The National Guard mirrors the communities that it serves and our people are its foundation. We will continue to embrace diversity and inclusion to ensure we tap into our entire reservoir of talent. As the National Guard strives to become a model of fiscal stewardship within the Department of Defense, we must also continue to do more in eliminating abuse, harassment, and discrimination. Suicide prevention will always be a priority and we must do all that we can to ensure we have the proper education, training, and availability of mental health professionals to create resilient soldiers and airmen. We must ensure that we assist returning soldiers and airmen, wounded warriors, and veterans reintegrate into their communities and honor our fallen service members. We will continuously examine our actions and progress through candid and critical assessments from top to bottom. The National Guard greatly appreciates the resources our nation invests in our wide array of effective programs.

It is inspiring to see what the men and women of our National Guard do for our states, territories, and our nation. Our soldiers and airmen continue to show great valor in combat. Our people continue to leave their jobs and families and report to their armories and bases, and bring calm after storms, fires, and floods have devastated communities. And, our Guardsmen strengthen and stabilize regions around the world while we develop meaningful security partnerships.

As we face the challenges of this new century, the National Guard is ready to carry out its missions through the capable men and women who serve. They are part of a proud heritage dating back to 1636 – nearly 400 years of protecting our nation. I am proud to serve with each and every Guardsmen. Their dedication and professionalism is truly remarkable.

I want to thank this Committee for your continued support of our Citizen-Soldiers, Airmen and their families. I look forward to your questions.

Mr. FRELINGHUYSEN. Thank you, General Grass.
General Kadavy, thank you for being with us.

SUMMARY STATEMENT OF GENERAL KADAVY

General KADAVY. Thank you, Chairman.

Chairman Frelinghuysen, Ranking Member Visclosky, distinguished members of the committee, thank you for allowing me the opportunity to represent the nearly 348,000 soldiers of the Army National Guard. And thank you for your continued support that this committee has given our soldiers and Army National Guard families. I look forward to working with you to ensure we sustain that support so vital to our total Army.

I am happy to report to you today that the Army National Guard's relationship with the Army is strong and enduring. We are a valued and integrated part of the United States Army. I am working closely with Acting Secretary of the Army Murphy, General Milley, General Grass, Lieutenant General Talley, and the adjutant generals to strengthen our total Army.

The Army National Guard is regularly employed and, when deployed, goes with the Army's most modern equipment. Soldiers from all three components are continuing to work side-by-side in exercises and operations across the globe, including reassuring allies in Europe and the Pacific.

As we move forward, readiness remains our top concern. Increased training, equipment modernization, continued commitment to our Full-Time Support requirements, and regular rotational utilization will ensure our force's continued readiness.

And when it comes to the Army National Guard, readiness for combat also translates into readiness for missions at home, as we saw last week in Louisiana, Texas, and Mississippi. The Army National Guard soldiers are doing extraordinarily outstanding work supporting civil authorities in the aftermath of the recent floods.

I would like to thank the committee for providing us with the programming and resources we need in order to serve the Nation. And, particularly, your generous support for the National Guard and Reserve Equipment Account has enabled us to remain a modern and interoperable force. Modernization is always an ongoing effort, and your support has been critical to allowing us to meet that responsibility.

I would also like to thank the members of the National Commission on the Future Army for their hard work. I want to assure this committee that we are working with the Army leadership to assess the Commission's recommendations. We take special interest in recommendations such as multicomponent unit solutions, additional Combat Training Center rotations, and increased flying hours for training, all of which would certainly enhance our readiness.

We are also looking closely at the Commission's recommendation on enhanced support to the Pacific and European combatant commands. The Army National Guard looks forward to being part of the Army's strategy to support these commands.

Additionally, we know there is great interest on certain issues such as the Aviation Restructure Initiative. I assure you that we are looking at all of the Commission's recommendations, and, as

part of the Army team, we will present our findings in the near future.

Lastly, with regard to the Commission's determination that a force of 980,000 is minimally sufficient to meet the Nation's challenges, I agree with General Milley that this places us at the edge of being able to meet our current strategy.

I would like to close by saying thank you. Thank you for allowing me to speak here today and for all that you do for our soldiers, civilians, and families of the Army National Guard. I look forward to your questions.

[The written statement of General Kadavy follows:]

STATEMENT BY

**LIEUTENANT GENERAL TIMOTHY J. KADAVY
DIRECTOR, ARMY NATIONAL GUARD**

**BEFORE THE
HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE**

SECOND SESSION, 114TH CONGRESS

ON

**THE NATIONAL GUARD
AND RESERVE POSTURE HEARING**

MARCH 22, 2016

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HOUSE APPROPRIATIONS COMMITTEE

Introduction

As the combat reserve of the Army, the 342,000 Soldiers of the Army National Guard are trained and equipped as part of the Total Army to fight and win America's wars. We have stood shoulder-to-shoulder as part of the U.S. Army through every major conflict in our nation's history, from the Revolutionary War to today's global operations. Simply stated, the Army National Guard plays an essential role in our Army's ability to go to war or engage in sustained operations.

Everything we do in the Army National Guard is focused toward building and sustaining readiness. Investments in Army National Guard manning, training, and equipping enable us to respond to the nation's call to service, whether participating in combat operations abroad or saving lives and protecting property at home. Reducing the time it takes for Soldiers and units to be ready for deployment is the primary concern for all Army National Guard leaders, and is a goal toward which we are always focused.

Priorities and Lines of Effort

In my first year as Director of the Army National Guard, I have established five priorities that align our force with General Milley's vision for the U.S. Army. This will ensure that the Army National Guard is ready and responsive to the needs of our Army as well as our nation's governors. These priorities are: Leader Development, Ensuring Operational Capability, Maintaining Resourcing and Modernization,

Ensuring Ready Soldiers and Families, and Maintaining Full-Time Support personnel.

In order to operationalize these five priorities, I have directed the Army National Guard to focus on four lines of effort: Leader Development, Ready Forces, Operational Forces, and Resilient Communities.

Accountability is inherent in these priorities and lines of effort. In order to maintain the trust of the American people; we must remain accountable to the Army profession, our civilian leadership, and to each other. Adherence to Army and Department of Defense standards, fiscal stewardship and audit readiness, provide the foundation for my five priorities.

Leader Development

Leader development is one of my top concerns. Soldiers require years of training, experience and mentoring to develop into effective mid-level and senior Army National Guard leaders. You cannot recruit a battalion commander, sergeant major, or chief warrant officer. Therefore, we must provide Soldiers with the professional educational experiences and leadership development opportunities they need to grow into tomorrow's Army National Guard leaders.

For the Army National Guard, a key component of leader development is experience in real-world deployments and realistic collective training. Army National Guard Soldiers have limited

opportunities to lead in real-world operational environments in comparison to their Active Component counterparts. This is a critical reason why consistent utilization, as well as planned rotations within the Army's Sustainable Readiness process are essential to Army National Guard readiness.

Leaders drive the Army's professional culture. I want to ensure that the Army National Guard develops strong leaders of character. In order to be effective in combat, Soldiers must trust and respect their leaders. As we promote leader development as a readiness principle, we must ensure that accountability and adherence to Army professional standards remain core tenants.

Ready Forces

Because the Army is a people-centric force consisting of Soldiers, Families and Civilians, the first step in building a ready force is to ensure it is properly manned. Our manning efforts are focused to ensure that we continue to recruit and retain quality Soldiers. Because of the nature of attrition and end-strength reductions, we must continue to recruit new Soldiers even as we reduce the size and structure of the force.

A force that is manned but not trained cannot be considered ready. Soldiers that are not educated in their specialties and trained in their missions are not ready for deployment. Initial Entry Training and Military Occupational Skills training are essential for individual Soldier readiness. Individual Soldier training is the foundation for unit readiness

Additionally, units that have not trained together are placed at greater risk when conducting combat operations. Modern warfare requires careful, proficient coordination between units, Services, and allied militaries. Collective unit training is the means by which Soldiers learn to work as a cohesive fighting team – that team includes the Army National Guard.

The Chief of Staff of the Army has emphasized the importance of Army National Guard collective unit training, and he is considering additional Combat Training Center rotations for Army National Guard units. We fully support increases in CTC rotations and other collective training events. Collective training is critical for leader development and unit cohesiveness, both of which can quickly erode without comprehensive unit training events.

Modernized, interoperable equipment is what turns trained Soldiers and units into effective and capable Army formations. In order for the Army to fight and win the nation's wars, the Army's equipment and equipping strategy must provide Soldiers with combat overmatch – the combination of Soldier skills and advanced equipment that far exceed enemy capability and capacity.

Today's operating environment is highly complex. The continued technological advancement of our enemies, coupled with the increasingly interconnected nature of equipment and computer networks, requires the Army National Guard to maintain highly modern, interoperable

equipment. With a smaller Total Army, the nation cannot afford to allow Army National Guard equipment capabilities to lag behind those of Active Component formations as we did during the Cold War. Doing so would reduce combat effectiveness and degrade the Army's ability to operate seamlessly on the complex battlefields we will face today and tomorrow.

Congress has invested substantial resources to bring the Army National Guard to equipping parity with the Active Component Army. Today's Army National Guard is the best equipped, most modern force in its history. Yet, fiscal constraints have forced the Army to defer modernization in order to fund readiness, and the impact is very real for the Army National Guard.

For example, the Army National Guard has 556 of the required 826 modernized UH-60 Black Hawk helicopters. Over 66 percent of our HMMWV ground ambulance fleet is modernized, but more than 500 vehicles require modernization. Our armored combat platforms, including the Abrams main battle tank, are behind the Active Component in terms of modernization. The Army National Guard Abrams fleet (with M1A1 variants) is a generation behind the third generation main battle tank (M1A2 variant) in the Active Component. Additionally, the Army National Guard is taking risk with critical mobility systems, such as firefighting, explosive ordinance disposal, and bridging systems.

We request your support of our depot maintenance funding request so the Army Guard is not forced to defer critical depot overhauls,

risking fleet operational readiness rates for vehicles and equipment. This has a direct and significant impact on our war-fighting and domestic response capabilities.

Operational Forces

Today's Army National Guard is a reflection of the resourcing and policy decisions to manage the Reserve Component as an Operational Force. As a component of the U.S. Army, the Army National Guard has transformed into an interoperable and experienced ground combat force capable of performing any mission assigned. Since September 11, 2001, Army National Guard Soldiers have conducted more than 544,000 individual mobilizations in support of federal missions, with more than 320,000 individual Soldier mobilizations to Iraq and Afghanistan during that period. In Fiscal Year (FY) 2015, the Army National Guard mobilized 10,123 Soldiers for service around the world. Today, we have approximately 11,100 Soldiers mobilized both overseas and in the United States for federal missions. Many senior leaders within the Department of Defense, the Administration and Congress have stated publicly that the Army would not have been able to accomplish its combat missions without the use of the Army National Guard – and I fully agree. Our force embodies the spirit of the Army Total Force Policy, and we can ill afford a return to pre-9/11 readiness levels. At home, the Army National Guard remains the military's primary domestic responder. In FY 2015, Army Guard Soldiers served nearly 453,850 duty days under the command of

the nation's governors, assisting our fellow citizens during domestic emergencies and aiding federal authorities in other critical areas such as counterdrug efforts and security along our Southwest border. At home and abroad, the Army National Guard is and will remain an indispensable part of the Army.

Global instability continues to place our nation's security interests at risk. The Army deployed forces to more than 140 countries last year alone. The threat of a large-scale military conflict with near-peer competitors is growing. Our allies are experiencing increasing pressure in Europe and Asia. Strong transnational terrorist organizations continue to destabilize entire regions and to threaten our security at home.

Within our available resources, the Army National Guard is working to support national theater engagement priorities in Europe and the Pacific. For example, we are conducting Overseas Deployment Training for a battalion task force and engineer forces to support theater deterrence in U.S. Army Europe, and a battalion task force in support of U.S. Army Pacific. This prudent employment of Army National Guard forces can relieve stress on Active Component forces and enable the Army to preserve the decisive action readiness essential for short notice contingencies.

Though major combat operations have ceased in Iraq and Afghanistan, the demand for the Army to perform global missions continues unabated. In order to respond to these growing requirements,

and remain a credible deterrent to transnational threats, the Army National Guard must continue to focus on readiness.

Resilient Communities

Providing support to Soldiers and their families is a critical duty that we fully embrace. Congress and the Department of Defense have invested heavily in programs that build resiliency and ensure that Soldiers and their families get the support they have earned by virtue of their service to the nation.

Much work remains in vital areas such as suicide prevention and intervention. The Army National Guard lost 100 Soldiers to suicide in calendar year 2015, an increase of 23 from calendar year 2014. The impact of this national epidemic on our force continues to be a top priority for Army National Guard leaders. Our efforts to reduce suicides include: increased Soldier training on suicide warning signs and intervention, training Soldiers to direct those contemplating suicide to appropriate healthcare professionals, supporting partnerships with non-profit behavioral health organizations and other community resources, and most importantly, improving the ratio of healthcare providers to Army Guard Soldiers within our force.

A key toward building resilient Army National Guard communities is ensuring that Soldiers trust both the Army as an institution, and their fellow Soldiers and leaders. This is why any instance of sexual assault or harassment within our ranks is unacceptable. Sexual assault is a

serious crime that leaves victims permanently scarred and severely erodes Soldier trust and unit readiness. The Army National Guard continues to support Soldiers through the Army's Sexual Harassment/Assault Response and Prevention program. We have increased training for and maintained a staff of sexual assault response professionals. We are working to encourage reporting by those that experience sexual assault or harassment, while strengthening the support services that victims of sexual assault receive.

The President's Fiscal Year 2017 Army National Guard Budget

The recently passed Bipartisan Budget Agreement of 2015 gives the Army National Guard two years of predictable budgets including overseas contingency funding and military construction starts. We thank Congress for passing this legislation, as budget stability allows leaders to make strategic, forward-looking resource allocation decisions.

The President's FY 2017 budget request for the Army Guard is \$15.8 billion and increases funding levels for both Operations and Maintenance and National Guard Personnel, Army accounts compared to FY 2016. Although the FY 2017 request provides some relief, reductions taken in FY 2015 and 2016 require a continued investment to first restore and then sustain lost readiness. Reductions in funding in FY 2015 and 2016 have challenged the Army National Guard to maintain an operational and ready force. The increased investment in FY 2017 will

continue to ensure that we are able to recruit, retain, and employ high-quality Soldiers for the Army and our nation's governors.

Overall, the President's FY 2017 budget provides the Army National Guard with \$515 million over Budget Control Act (BCA) levels.

At \$232.9 million, the FY 2017 budget request for National Guard Military Construction funds only the most critical facility construction needs for a handful of projects across the Nation. However, many of our facilities are not modernized. Forty-seven percent of Army National Guard facilities are over 50 years old. It is necessary that outyear funding levels increase, as these facilities are in need of extensive modernization and resourcing.

As highlighted in the recently published Reserve Component Transformation Master Plan, if future funding levels do not increase we expect our readiness centers to degrade. Our Facilities Sustainment Restoration and Modernization (FSRM) program and Base Operations Support funding are used to maintain existing facilities at minimum safety and operating standards. Funding for these programs dropped significantly over the last several years, which reduced our ability to replace aging infrastructure and preserve existing facilities. The FY 2017 budget request funds the FSRM program at 72 percent of the DoD Facility Sustainment Model. This level represents moderate risk.

Understanding ARNG Readiness: Full-Time Support Personnel

Institutional Readiness most appropriately describes our ability to perform the mandatory personnel, administrative, maintenance, and supply functions as directed by Title 10 and Title 32, United States Code and Department of Defense policy. The Soldiers and Civilians who deliver Army programs to our force and their families are our Full-Time Support personnel. They operate critical systems, maintain equipment, recruit and retain quality Soldiers, and perform vital administrative tasks such as paying Soldiers on time and training management. Without Full-Time Support staff, the Army National Guard simply will not function at the level the nation requires.

The National Commission on the Future of the Army

I would like to thank the members of the National Commission on the Future of the Army for their recommendations to shape the 21st century Army. I look forward to reviewing and working with Army senior leaders to implement f the Commission's recommendations. We are one Total Army team, and I look forward to continuing to strengthen the bonds between the Army, Army National Guard, and Army Reserve.

Closing Remarks

Today's complex security environment requires a ready, credible ground force to deter aggression, bolster our allies, and when necessary, to fight and win our nation's wars. The Army National Guard is critical to our national security, and provides vital capabilities to meet the complex

challenges our nation faces at home and abroad. Wherever the Army goes, the Army National Guard must be ready to provide trained Soldiers, leaders, and units.

Congress has consistently provided resources to ensure that the Army National Guard is ready to perform its combat mission. Continued, investment will ensure that the readiness and experience earned through fourteen years of combat will not decay. The Army depends on a fully manned, well-trained and properly equipped Army National Guard, led by leaders of character and experience. Governors need personnel and equipment that are ready to respond every single day, at any hour, in life-threatening circumstances. For the Army, our nation, and our states and territories, Army National Guard readiness is not optional – it's essential.

Thank you for your continued support of the Army National Guard.

SUMMARY STATEMENT OF GENERAL NEAL

Mr. FRELINGHUYSEN. Thank you, General Kadavy.

General Neal, thank you.

General NEAL. Thank you, Chairman.

Chairman Frelinghuysen, Ranking Member Visclosky, and members of the committee, thank you for inviting me here today.

I want to start by publicly thanking the over 105,000 dedicated professional men and women of the Air National Guard for the tremendous job they do every day both at home and overseas. I also want to thank you for your support of the Air National Guard.

When the Air National Guard was created, its primary mission was to train for the next major conflict. The concept of training one weekend a month, 2 weeks a year was based on the original strategic reserve model. Today, the Air Guard is on operational reserve, a force that contributes every day to both the warfight and also provides search capacity for crises.

The men and the women of the Air National Guard have stepped up gallantly to meet the demands of an operational reserve force. As the Acting Director, it is my job to ensure our Guard airmen have the resources and training to do the jobs we ask of them. My priorities are: one, support for the 21st-century Guard airmen; two, readiness; and, three, modernization and recapitalization.

Overall, we must ensure the men and women of the Air National Guard have the support they need as they balance civilian careers, family responsibilities, domestic response needs, and their growing responsibilities to national security. We must make sure our Guard airmen and their families have access to the spiritual, psychological, and medical support they may need. Our Guard airmen need equipment that is capable of integrating seamlessly into the combat environment, and we must ensure they are trained for the full-spectrum operations we expect them to perform.

In closing, I want to thank you for your support of the National Guard and Reserve Equipment Account. NGREA is essential for the Air National Guard to the accomplishment of both its Federal and domestic missions. NGREA keeps our combat equipment safe, reliable, and compatible within the combat environment and is the Air Guard's primary source for dual-use equipment needed to respond to domestic emergencies. If it were not for NGREA-funded programs, the Air National Guard would simply not be the force we are today.

Again, thank you for inviting me here today. I look forward to your questions.

[The written statement of General Neal follows:]

STATEMENT BY

**MAJOR GENERAL BRIAN G. NEAL
ACTING DIRECTOR, AIR NATIONAL GUARD**

BEFORE THE

**HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE**

SECOND SESSION, 114TH CONGRESS

ON

**THE NATIONAL GUARD
AND RESERVE POSTURE HEARING**

MARCH 22, 2016

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HOUSE APPROPRIATIONS COMMITTEE

INTRODUCTION

The Air National Guard has been at war as an integral and essential part of the Total Air Force for 25 years. During this time, the men and women of the Air National Guard have proven to be remarkably adaptive, versatile, and resilient.

The first Gulf War, Operation DESERT SHIELD/STORM, utilized the forces, tactics and doctrine designed during the Cold War to defend NATO from an attack by the Warsaw Pact. As a result, the Air National Guard contributed to the fight as a voluntary, strategic reserve force augmenting Air Force contingency operations.

The security environment changed significantly after the first Gulf War. First, the end of the war did not signal an end of hostilities, as the Air Force launched into a series of airpower-centric operations including Operations Northern and Southern Watch, Bosnia-Herzegovina, Somalia, Kosovo, Afghanistan, Libya, Mali, back to Iraq, and now Syria. At the same time, the Department of Defense went through a post-Cold War drawdown and a restructuring of forces including a 33.7% cut in Air Force manpower and a 41.5% reduction in aircraft between 1990 and 2015. This restructuring included a change from a forward-basing posture to a forward-presence strategy, and a shift in the apportionment of forces within the Total Air Force.

The combination of a continued high-demand for Air Force capabilities and a decrease in active duty Air Force capacity resulted in greater reliance upon the Air National Guard and Air Force Reserve. In 1990, the Air National Guard was 15.1% of the Total Air Force manpower and operated 19.3% of the aircraft; by 2015 the Air Guard contribution had increased to 21.5% and 21.4% respectively. For the men and women of the Air National Guard, what began as volunteering for operational missions during Operation DESERT SHIELD/STORM evolved into the most significant application of involuntary mobilization since the Korean War.

For the National Guard, including the Air Guard, the demands of Overseas Contingency Operations were compounded by increased calls to

protect life and property at home from natural disasters or terrorist attacks. Federal, state, and local communities began to increasingly recognize and rely upon the versatility of Guard Airmen to adapt their training and equipment, designed for the Air Guard's federal, national security mission, to assist them in responding to state and local emergencies – commonly referred to as “dual-use” capabilities.

The dedication of the men and women of the Air National Guard has facilitated the transformation of the Air Guard from a strategic reserve to an operational reserve. The Air National Guard does not simply train at home for the next major war, but instead augments the Total Air Force in day-to-day operations and provides surge capacity for unforeseen emergencies at home or abroad. Today's Air National Guard is:

- A Proven Choice in the Warfight;
- A First Choice in Homeland Operations; and
- An Enduring Choice in Building & Maintaining Partnerships.

The men and women of the Air National Guard continue to do a remarkable job fulfilling the tasks asked of them as an operational reserve. As leaders, we must ensure that they receive the foundational support, training and equipment necessary to continue to meet the needs of the nation and their communities.

YEAR IN REVIEW

A Proven Choice in the Warfight

The Air National Guard is integral and essential to the U.S. Air Force's contribution to our nation's security; our Guard Airmen's dedication to the nation is clearly evident. In 2015, the men and women of the Air National Guard filled 9,006 combatant command requests for support deployments to combat zones, and U.S.-based support for combat operations, many as volunteers. The Air National Guard contributed to the U.S. Air Force's

deterrence and assurance mission with deployments to U.S. special interest areas such as Japan, South Korea, and Europe – often back-filling Air Force forward-based units deployed to combat.

While the war on terrorism is predominantly fought overseas, many Guard Airmen are actively engaged state-side, defending the homeland. The Air National Guard is the primary force responsible for defending the airspace over U.S. territory – monitoring radar scopes, manning the command and control system that coordinates airspace defense, piloting the fighter aircraft that intercept potential threats and the aerial refueling tankers that extend the range and endurance of the fighters – the men and women of the Air National Guard are *Always on Mission* 24/7/365.

Guard Airmen are fully engaged in “reach-back” missions, *i.e.*, missions that use global communications and data links to provide direct support to deployed warfighters from U.S. locations. Air National Guard Remotely Piloted Aircraft (RPA) units in California, North Dakota, Arizona, Texas, New York, Ohio, Tennessee, and Iowa are currently flying 14 combat orbits providing armed reconnaissance to forwarded deployed forces. Units in Tennessee and Iowa are converting from MQ-1 to MQ-9 RPA and will be operational this year. Four additional MQ-9 units in Pennsylvania, Arkansas, Michigan, and New York are scheduled to be operational in FY2017. The intelligence, surveillance, and reconnaissance (ISR) data collected by the RPAs is integrated into the joint ISR architecture at the Air Force Distributed Common Ground Systems (DCGS). Air National Guard DCGS units process, exploit, and disseminate actionable intelligence from data collected by a variety of sensors on the U-2, RQ-4 Global Hawk, MQ-1 Predator, MQ-9 Reaper, and other ISR platforms.

Cyber security is another global national security mission the men and women of the Air National Guard support from their home stations. According to the *Department of Defense (DoD) Cyber Strategy* of 2015, the Department will:

- Build and maintain ready forces and capabilities to conduct cyberspace operations;
- Defend the DoD information network, secure DoD data, and mitigate risks to DoD missions;
- Be prepared to defend the U.S. Homeland and U.S. vital interests from disruptive or destructive cyberattacks of significant consequence;
- Build and maintain viable cyber options and plan to use those options to control conflict escalation and to shape the conflict environment at all stages; and
- Build and maintain robust international alliances and partnerships to deter shared threats and increase international security and stability.

Over 6,600 Guard Airmen support the 21st century cyber mission. In 2015, 12 Cyber Protection Teams were stood up to identify and counter threats to critical mission assets in support of USCYBERCOM. Teams include Cyber Tactics, Test & Evaluation, Cyberspace Command & Control, Active Cyber Defense, Information Aggressors, three National Mission Teams and two Cyber Training/Distance Learning Squadrons. Air Guard “cyber warriors” support the Total Air Force contribution to the DoD cyber mission. In order to support both national and domestic needs, Air National Guard cyber units are geographically distributed among the ten Federal Emergency Management Agency (FEMA) regions.

The strategic deterrence mission is a top priority for the Air Force and the Air National Guard is an active participant. The 131st Missouri Air National Guard Wing transitioned from F-15s to the B-2 stealth bombers in 2008 and became the first nuclear strategic bombing wing in the Air National Guard. Today, the 131st Bomb Wing, in a classic association with the Air Force’s 509th Bomb Wing, Whiteman Air Force Base, is integral to the Air Force Global Strike Command mission. The Air Guard also supports the strategic deterrence with KC-135 aerial refueling tankers. In addition, North Dakota Air National Guard

Security Forces help protect two components of the nuclear triad at Minot Air Force Base.

The men and women of the Air National Guard also assist the Air Force in its space superiority mission with two Space Warning Squadrons, two space Command and Control Squadrons, a Space Operations Squadron, and two Space Control Squadrons. Collectively, Air Guard Space Squadrons provide missile warning, satellite maneuver, configuration, and operation for MILSTAR and Advanced Extremely High Frequency constellation, and space situational awareness in support of global and theater campaigns.

When our Guard Airmen return from deployment, overseas or at home, they do not simply return home to their civilian jobs. First, many have to regain currency in skill-sets that were not used supporting the current Overseas Contingency Operations. For example, F-15 and F-16 pilots seldom use their air-to-air warfighting skills when deployed to the Middle East; therefore, they must refresh those skills through both home-station training and exercises such as Red Flag to regain their full-spectrum combat qualification. Finally, as members of the National Guard, our members have additional homeland/domestic commitments.

A First Choice for Homeland Operations

The Air National Guard's responsibilities go beyond fighting America's wars. As the air component of the National Guard, the men and women of the Air National Guard are charged to provide for the protection of life and property and to preserve peace, order, and public safety. The most visible role of the National Guard is its response to domestic emergencies: natural disasters such as hurricanes, floods, blizzards, wildfires, and man-made disasters such as terrorist attacks and civil unrest. Our Guard Airmen are ready to help their neighbors in any way, but most often, they employ their dual-use capabilities, i.e., they adapt their combat equipment and skills to serve their communities. For example, during winter storm Jonas, the Air National Guard provided over

5,000 man-hours to their local communities. Guard Airmen augmented local first responders (emergency medical, firefighting, search & rescue), manned emergency shelters, provided emergency transportation for personnel and supplies, and setup and operated backup power generators and communication networks. As a result of the Baltimore riots in April 2015, our Air Guard members were requested by the Governor to assist the overwhelmed law enforcement officials. Air Guard members utilized crowd control techniques to help stabilize the situation. In October 2015, South Carolina received historic rainfall from Hurricane Joaquin and our Air Guard members were there to assist the community. They executed civil-authority support missions to preserve the lives and safety of South Carolina residents and assisted with recovery efforts.

Aside from disasters, Air National Guard emergency response units assist their communities at home. Units typically include trained Airmen and equipment for fire response, security, Explosive Ordnance Disposal (EOD), medical response, and other civil support functions. Through mutual support agreements, Air Guard organizations are quick to respond, equipped and manned to support their local civilian communities. Nearly every day, Air National Guard fire departments are called upon to augment local fire responses and/or to back-fill local first responders when out on calls. Air Guard security forces are routinely asked to assist local police with traffic control after a major vehicle accident or unexpected road closure. In many areas, the Air Guard has the only EOD capability available to respond to local incidents making them an invaluable part of their communities.

An Enduring Choice for Building and Maintaining Long-Term Partnerships

Many people join the Air National Guard because the Guard personnel system will allow them to serve from their local community. This assignment stability inherent to the National Guard also enables it to support enduring

relationships both at home and abroad. The Guard Airmen contribute to a number of programs designed to improve partner nations capabilities and U.S. interagency cooperation.

The Air National Guard is an active participant in the Department of Defense State Partnership Program. The State Partnership Program pairs U.S. states and territories with partner countries in a cooperative, mutually beneficial relationship. The objectives of the Program are to build defense relationships that promote specific U.S. security interests, develop allied and friendly military capabilities for self-defense and multinational operations, and provide U.S. forces with peacetime and contingency access to a host nation. Last year Guard Airmen participated in 119 State Partnership Program events. For example, the South Carolina Air National Guard worked with the El Salvador military to help them improve their disaster response management and capacity; the Maryland Guard helped the Estonian Air Force improve their airport security and airspace management system; and, Soldiers and Airmen from Illinois helped the Polish military establish a noncommissioned officer leadership training program.

In addition to the State Partnership Program, the Air National Guard conducts formal military training for allies and partners. Last year, the 162nd Arizona Air National Guard Wing trained 31 F-16 pilots from Singapore, Indonesia, Norway, Oman, Denmark, Iraq, and Thailand. The 174th Attack Wing, New York Air National Guard trained 16 airmen from France and the United Kingdom on MQ-9 maintenance. The 143rd Airlift Wing of the Rhode Island Air National Guard trained C-130 aircrew members and maintainers from Iraq. Lastly, the 139th Airlift Wing provided Advanced Airlift Tactics Training to 75 students from eight allied nations including Japan, New Zealand, Germany, Belgium, and Australia.

Air Guard members also participate in training programs run by U.S. allies. Eight Guard noncommissioned officers attended the International Noncommissioned Leadership Development in Canada and five Air Guard junior officers attended the International Junior Officer Leadership

Development program in Germany. These programs are run by the International Air Reserve Symposium, an informal organization of chiefs of air reserve components from around the world.

Air National Guard units have ongoing interagency partnership relationships. Of special note is the relationship between the New York Air National Guard and the National Science Foundation under which Guard Airmen operate the U.S. Air Force's only ski-equipped C-130s (LC-130) to provide logistical support to Science Foundation expeditions to Antarctica and Iceland. While the National Science Foundation provides the funding for this support, the Air Guard participants gain invaluable training and experience.

The Air Guard has a long-standing partnership with the US Department of Agriculture's Forest Service. Under this support agreement, members of the California, North Carolina, and Wyoming Air National Guard supplement Forest Service aerial firefighting capacity using C-130 transportable Modular Airborne Firefighting System (MAFFS). Last year, Guard Airmen flew 350.9 hours and dropped 246,000 gallons of fire retardant on U.S. forest fires.

BUILDING FOR THE FUTURE

The Air National Guard priorities for this year are our Airmen, Readiness, and Modernization & Recapitalization. The men and women of the Air National Guard have done a remarkable job of responding to the needs of the nation both overseas and at home. Most of today's Airmen joined the Air National Guard after 9/11 with the full understanding of the demands of the new Air National Guard. However, the Air National Guard is now an operational reserve, but stands upon a foundation built when it was a strategic reserve. This foundation consists of the Air Guard's infrastructure and organizational manning. If the Air Guard is to continue as an operational reserve, we must ensure the foundation is sound. This year's priorities are intended to identify and reset the foundations for the new Air National Guard.

Support for the 21st Century Guard Airman

While the hard work and dedication of the Guard Airmen, their families, and their employers made possible the transformation from a strategic reserve to an operational reserve, they now bear the greatest burden. We have seen evidence of the stress on our extended Air Guard family due to repeated deployments and the demands of balancing military and civilian careers. Much like changing civilian careers or jobs, we see anxiety in our Airmen as they transition into new missions, especially in emerging missions such as Remotely Piloted Aircraft or cyber. We are closely watching for what may be a new version of post-traumatic stress in those Airmen who are fighting the war from their home stations, *e.g.*, the Guard Airmen who are targeting enemy combatants with Remotely Piloted Aircraft and then go home to “normal” family life. Additionally, this stress does not end with the actual operators; it also extends to the Airmen supporting them, their families and their employers.

We, like all the military services, see changes in the demographics of our force. The force is younger; only 41% of today’s Guard enlisted Airmen are over 35, as compared with 52% in 2003. More of the Guard Airmen are married than in the past, to include our young enlisted Airmen. We have seen a reduction in the number of enlisted Airmen joining the Air Guard after serving in the regular, active-duty military (prior-service). Changes in the Air Guard’s demographics impact recruiting, training, deployments, career progression, retention, family support programs, physical and mental health programs, and employer relations – nearly every aspect of the Air National Guard.

Last year, Congress provided the resources necessary for the Air Guard to hire Directors of Psychological Health for each wing. The Directors coordinate the various wellness resources available both in the military and the local communities, and help Guard Airmen and their families access these resources. Air National Guard Directors of Psychological Health provide early intervention, crisis support, clinical referrals to service members and their families. Airmen and Family Readiness Program Managers (AFRPMs) reached

nearly 719,000 Airmen/family members through formal and informal contacts in FY14.

The Department of Defense and the Air Force are currently working on a number of new programs to support and assist military members and their families, including enhancements to Sexual Assault Prevention and Response (SAPR), Airmen Family Readiness, and suicide prevention. These are all excellent programs, but most are designed for the active duty military with centrally located manpower and infrastructure to implement the programs. The Air Guard is currently exploring cost effective ways to export the programs to the Guard's geographically dispersed, 67% traditional or part-time workforce.

The challenging global environment means our Guard Airmen are busier than ever and the skills required for that environment continue to become more complex. The traditional model of one weekend a month and two weeks a year has become overburdened with time consuming ancillary training programs that take away from our Airmen's availability for skills training. During 2015, we completed the first year of a three-year test of the new Ancillary Training Pilot Program developed by the Air National Guard. The Ancillary Training Pilot Program has resulted in added flexibility, greater commander and supervisor involvement and an 80-percent reduction in hours spent outside of core skills training. The program has been so successful that we are now working with the Air Force Reserve to implement a similar program for their members.

The Air National Guard's FY2017 budget request includes an increase in Air Guard end-strength to an approved steady-state end-strength of 105,700 through FY2017. This reflects the full restoration of A-10 aircraft manpower.

Readiness

The official Department of Defense definition of readiness is, "The ability of military forces to fight and meet the demands of assigned missions," but the

concept is far more complex. The “demands of assigned missions” are not the same for every mission; a unit may be ready for one mission but not others. There are many variables that go into the Readiness calculus, including recruiting and retaining quality manpower, initial skills training, currency training, and upgrade training, personal readiness including medical and dental requirement, and equipment availability and mission capability status. The changing demographics of the Air National Guard, equipment age, mission changes, operational demand on personnel and equipment, availability of and funding for formal schools, and many other factors all impact Air Guard readiness. For example, the Air Guard recruits non-prior-service Airmen (a member who has not previously served in the military), the recruits must be sent to Basic Military Training and a formal school for initial training in their mission specialty. Initial training is followed by Mission Essential Skills Training to “season” the individual Airman, integrate them into their unit, and prepare them to work with/on the specific equipment assigned to their unit. All this takes time and money. These recruits must be brought onto active duty, sent to school, and once back at their unit, given sufficient man-days to become a productive member of the unit. Airmen require unit equipment for hands-on training and skilled unit instructors to conduct the training.

Our demographics are shifting to a younger workforce and we are beginning to encounter a noticeable decline in the experience levels of our full time force. An Air National Guard wing’s full time force is the source of training for our traditional Guard members. They are the key to the maintenance of readiness for our units and their personnel. An informal look at the experience levels of our full time technician force in six states showed that 55-percent of permanent technician pilots have less than six years of full-time experience. Experience levels are declining, at a time when skill complexities required to accomplish the mission are increasing and aircraft mission capable rates are lower.

In addition to a declining operator experience level, the maintenance force is also younger and less experienced. This decrease in the age and

experience among maintenance personnel, coupled with an aging aircraft fleet that requires more maintenance, creates challenges to maintaining a mission capable rate at our units sufficient to maintain the robust flying schedules necessary to keep our younger, less experienced aviators current and proficient.

The Air Guard is continually evaluating and adjusting its military personnel (MILPERS) and operations & maintenance (O&M) budgets to meet the dynamic requirements of the Air Force and our Air Guard units. Over the next year, we plan to closely examine the foundational assumptions use to resource the Air National Guard to ensure its resourcing matches its operational posture for the future.

Modernization and Recapitalization

The objective of all recapitalization and modernization programs is to ensure that an organization's equipment is both safe to operate and capable of accomplishing the organization's mission. Technically, recapitalization is trading in old equipment for new and modernization is updating old equipment. Recapitalization of all components of the Air Force is primarily the purview of the Air Force in coordination with the Air National Guard. For the Air National Guard, which operates some of the oldest Air Force equipment and has both federal and state responsibilities, modernization is always a priority. It is vital to ensure that we maintain the right capabilities. Last year the Air National Guard equipped 217 F-16C aircraft with the Scorpion Helmet Mounted Integrated Targeting (HMIT) system. HMIT is an integral piece of the kill-chain, allowing the pilot to rapidly cue sensors and/or weapons to targets of interest. This increase in situational awareness, both day and night, allows Guard pilots to de-conflict operations with friendly air and ground forces, minimizing fratricide and enhancing weapons employment.

To improve its capability to respond to domestic emergencies, the Air Guard procured 21 Mobile Emergency Operations Centers (MEOC). This equipment provides a rapid response, comprehensive command and control

capability for commanders, first responders, local civil authorities, and other government agencies. The MEOC assigned to the 127th Wing, Michigan Air National Guard, served as the chief command and control outpost for the first 36 hours in response to the Flint, Michigan water crisis.

The Air National Guard continues to work closely with the Air Force and Congress on C-130 modernization plans. Ensuring the Air Guard's C-130 fleet meets U.S. and international air traffic control requirements by 2020 is one of our top modernization requirements.

Conclusion

The men and women of the Air National Guard were instrumental in transforming the organization from a strategic reserve to an operational reserve. When one considers all of the wonderful work our Guard Airmen are doing around the world, it is clear that they are up to the task, understand this is not their parents' Air National Guard, and are prepared for this "new normal." However, much of the foundation upon which this operational reserve Air National Guard was built and designed was put in place to support a strategic reserve force. Now that our Guard Airmen have settled into the "new normal," it is time to step back and make sure the foundation can continue to support the organization. Identifying and modernizing the strategic reserve foundations of today's operational Air National Guard will take time, but the changes are necessary to ensure the men and women of the Air National Guard are able to continue to answer the call.

The Bipartisan Budget Act has provided needed stability and predictability. However, with a non-sequestered budget, the Air Guard can begin to address the foundational changes that must be made to preserve our role as an operational reserve, improve readiness and to modernize and recapitalize Air Guard capabilities to meet future security challenges.

SUMMARY STATEMENT OF GENERAL TALLEY

Mr. FRELINGHUYSEN. Thank you, General Neal.

General Talley, thank you for being with us.

General TALLEY. Chairman Frelinghuysen, Vice Chairman Visclosky, distinguished members of the committee, for now almost 4 years, I have been the Chief of the Army Reserve, Commanding General of the United States Army Reserve Command, and this is my final appearance before your committee, as I will soon return to the civilian sector and retire from America's Army.

I want to personally thank each of you for your steadfast support of our soldiers, civilians, and families. As you know, citizen soldiers are critical enablers, providing enduring operational capability and strategic depth to your Army and to the joint force. Because the Army Reserve comprises the majority of the Army's combat support and sustainment capabilities, the Nation can afford nothing less than a ready, equipped, and operational Army Reserve.

Maintaining the adequate level of readiness to meet existing demands is my primary concern and current challenge. At any given time, between 16,000 and 24,000 Army Reserve soldiers are serving in support of the continental United States and overseas, but we must maintain an additional pool of trained and equipped soldiers annually to support forecasted requirements.

I strongly believe that Full-Time Support is essential for the readiness in the Army Reserve. Full-Time Support provides administrative, medical, training, maintenance, and mobilization support for Army Reserve units and is absolutely necessary for generating and sustaining individual readiness, which is a prerequisite for leader and unit readiness.

Yet the Army Reserve's Full-Time Support Program is currently resourced to only 76 percent of its identified requirements. We must maintain and, if possible, increase Army Reserve Full-Time Support.

One way to increase Full-Time Support is by placing regular Army soldiers back in Reserve units to augment the Active, Guard, and Reserve program in our military technicians. This Title 11 program was tested and implemented back in the nineties and, in my opinion, should be reinstated. Such an effort would promote readiness and help reinforce our Army total force policy across all three components of our great Army.

Another readiness concern is equipment modernization. I am very grateful for the support of this committee and what you have provided through NGREA appropriations, which has accounted for more than 35 percent of Army Reserve equipment procurements between fiscal year 2013 and fiscal year 2015.

Yet equipment modernization rates for the Army Reserve continue to lag behind the other Army components. For fiscal year 2016, we are scheduled to receive 3.1 percent of the Army's procurement budget, which is significantly less than our pre-9/11 allocations of 6 percent. Continuing to neglect equipment modernization requirements will only exacerbate existing capability gaps between your Army Reserve and the other Army components.

This committee has already heard from Army Chief of Staff General Mark Milley about the importance of Army total force policy.

I want to reinforce his testimony by emphasizing the positive impact that full implementation of Army total force policy will have on our readiness. Integrating the Active and Reserve components through cross-component assignments and the use of a one-Army school system ensures consistent standards across all of our components.

Finally, the importance of funding the accounts that provide training days for the Army Reserve soldiers cannot be overstated. While the current level of training is sufficient to provide ready forces to meet our identified requirements, the resources are not sufficient to build a force capable of responding to unforeseen contingencies.

Mr. Chairman, the Army Reserve supports the most capable Army the world has ever known. This committee's support is crucial to ensuring that we remain ready to provide support to the total force as we meet current global requirements, respond to national emergencies, and mobilize for contingency operations when our Nation needs us most.

In closing, it has been my distinct honor and pleasure to serve the men and women of the United States Army Reserve. I thank you and the committee for your continued support, and I look forward to your questions. Twice the citizen, and stay Army strong.

[The written statement of General Talley follows:]

The 2016 Posture of the
United States Army Reserve
A Global Operational Reserve Force

Submitted by

LIEUTENANT GENERAL JEFFREY W. TALLEY
32nd Chief of Army Reserve and
7th Commanding General, U.S. Army Reserve Command

March 22, 2016

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE APPROPRIATIONS COMMITTEE

Title 10 USC specifies the Chief of Army Reserve shall submit to the Secretary of Defense, through the Secretary of the Army, an annual report on the state of the Army Reserve and the ability of the Army Reserve to meet its missions.

The report shall be prepared in conjunction with the Chief of Staff of the Army and may be submitted in classified and unclassified versions.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

INTRODUCTION

A GLOBAL OPERATIONAL RESERVE FORCE

- The Army's flexible, tailorable and accessible, dedicated federal reserve force
- Manned, trained and equipped to enable operational forces
- A Globally engaged Component and Command

CURRENT AND FUTURE GLOBAL SECURITY ENVIRONMENT

- Defense and security demands of today and tomorrow require the skills, capabilities and experience of an operational Army Reserve
- Offers essential operational and financial advantages for the Army and the Nation
- Without operationally prepared and ready Army Reserve capabilities, the Army and the Joint Force will fail their missions.

READINESS, RESOURCING THE FUTURE FORCE, TAKING CARE OF SOLDIERS

- Readiness is the Army Reserve's number one priority; Resources, its greatest concern.
- Plan, Prepare, Provide
- ARECs and ARETs
- Private Public Partnerships
- Full Time Support and Personnel Challenges
- Enforcing Army Total Force Policy
- Training
- Equipping and Modernization
- Employment of the Operational Army Reserve
- Taking Care of Soldiers and Families
- Suicide Prevention
- Sexual Harassment and Assault Prevention
- Other Issues
 - Medical and Dental Readiness
 - Army Reserve Network
 - Military Construction, Army Reserve
 - Base Operations Support
 - Army Reserve Cyber Capabilities
- Sustain the Operational Reserve
 - Most battle-tested and experienced Army Reserve in history
 - Versatile, available, cost effective
 - Policies to sustain an operational Army Reserve are already in place
 - Best way to meet current and future requirements with available/estimated resources
 - Helps the Army better manage strategic and operational risk
 - Maintains invaluable expertise and experience gained since September 11, 2001.
 - Total Force can't go to war without the Army Reserve

Executive Summary

The State of the Army Reserve

The United States Army Reserve is a global operational reserve force, providing operational capability and strategic depth to the Total Army and the Joint Force in support of the National Defense Strategy and Army commitments worldwide. The Army Reserve comprises 20 percent of the Army's organized units, nearly half the Army's total maneuver support, and a quarter of its mobilization base expansion capability.

Globally engaged for more than 14 consecutive years of war, the Army Reserve has been, and continues to be, an essential element of the Total Army and the Joint Force, meeting high operational tempo demands, operating and generating forces as required, and providing predictable capabilities to global Combatant Commands.

Manned, trained and equipped to enable operational forces, the Army Reserve provides quick access to trained and ready Soldiers, leaders and cohesive units, as well as critical enabling capabilities found nowhere else in the Army or the Joint Force. Since 2001, more than 310,000 Army Reserve Soldiers have been mobilized and deployed across the globe, to include every major combat zone.

The Current and Future Global Security Environment

Looking ahead, the United States and its allies face a complex and dynamic global security environment with enemies that are adaptive and growing in numbers, lethality, and the ability to threaten vital U.S. strategic interests around the world. Meeting the defense and security demands of today and tomorrow will require continued access to, and reliance upon, the skills, capabilities, and experience of an operational Army Reserve.

The advantages of a ready and operational Army Reserve are many: A Federal operational Army Reserve force saves the Army money; reduces the demand for Active Army capabilities; helps mitigate current Army capability shortfalls, and allows the Active Component to maximize time at home between deployments. It provides the depth and scalability needed to meet current and anticipated requirements of the Combatant Commands; achieves a cost-efficient balance between the Active Army and the Army Reserve, using the strengths and capabilities of each to full advantage; and provides a sufficient base of trained, equipped and ready Soldiers, leaders and units from which the Active Component can draw when needed. Most importantly, a ready and operational Army Reserve provides the critical enabling capabilities combat forces rely on to initiate, sustain and win prolonged operations. If those capabilities are not prepared and ready for operational use, the Army and the Joint Force could fail their missions.

Readiness, Resourcing Our Future Force, Taking Care of Soldiers

Readiness is the Army Reserve's number one priority. To win in the complex world of today and tomorrow, we must be ready for the threats and challenges of the present and the future.

For the past four years, the Army Reserve has been building readiness and preparing for the future primarily through its *Plan, Prepare, Provide* readiness model. The “Plan” portion of the model regionally aligns Army Reserve Engagement Cells and Teams to support Army Corps, Army Service Component Commands, and Combatant Commands as they seek to prevent conflict across the globe. The “Prepare” portion delivers the military and civilian-acquired skills the Army needs to shape activities and events. “Provide” delivers the combat ready Soldiers, leaders, and units the Army needs to dominate adversaries and win decisively.

Our greatest concern is resources. The current demand for Army Reserve forces is about 25,000 operational troops annually. To generate that number, at least one third of all Army Reserve forces must be sufficiently manned, trained and equipped to meet operational requirements. Without the resources requested in the FY 2017 President’s budget to bring those forces to the required level of readiness, the Army Reserve cannot remain an operational reserve.

Other important areas of concern flow from resourcing and readiness – to include modernization and the first principles of readiness: Manning, Training and Equipping. Full Time Support is the foundational enabler that sustains readiness and allows Soldiers and units to be rapidly deployable. Training must be integrated among all three components of the Army to ensure interoperability of our forces. The Army Reserve has taken risk in equipping and modernizing our force, and the FY 2017 President’s budget represents the minimum acceptable level of funding which still enables the Army Reserve to respond to emerging global security threats. Finally, our most important resource – our Soldiers and their Families – must be supported with the best possible care, programs and services to ensure their individual physical and mental readiness and well-being.

All of these challenges can be met by relatively simple solutions: maintaining Army Reserve Full Time Support at authorized levels, continued implementation of the Army Total Force Policy, integrating training for all three components, breaking down barriers to continuum of service, and sustaining the federal operational Army Reserve.

Serving the Army and the Nation

The Army Reserve is the dedicated Federal reserve of the Army. It exists to serve the Army and the Nation, and has always accomplished its mission. Through two World Wars, a Cold War, Korea, Vietnam, the Persian Gulf War, the Global War on Terror, and countless other crises, operations and emergencies, the Warrior Citizens of the Army Reserve have never failed to answer the Nation’s call – and we remain ready for what comes next.

Today’s Army Reserve is the most battle-tested and experienced in our Nation’s history. Whether performing combat, contingency and security cooperation missions abroad, or saving lives and protecting property at home, the Army Reserve will continue to offer versatile, available and effective capabilities to the Army and the Nation at reduced cost to the American taxpayer.

Ready now, ready in times of crisis, and ready for whatever threats and challenges lie ahead, the United States Army Reserve is America’s life-saving, life-sustaining Federal Reserve force.

INTRODUCTION

Today's operational Army Reserve provides the operational capability and strategic depth the Army needs to support and defend U.S. interests across the globe.

Since September 11, 2001, more than 310,000 Army Reserve Citizen Soldiers have mobilized in support of Total Army and Joint Force requirements.¹ Today, 41,373 Army Reserve Soldiers, or 20.8 percent of current Army Reserve end strength of 198,552² are serving at home and abroad – 17,398 in direct support of Army Service Component Commands (ASCC) and Combatant Commands (CCMD),³ and 23,975 performing training support missions.⁴

When sustained unified land operations are required, the Army integrates and synchronizes all of America's military services, but it can do so only with the support of the Army Reserve which provides most of the Army's critical technical enablers. These include Petroleum Pipeline and Terminal Operations, Rail Units, Biological Identification Detachments, Broadcast Operation Detachments, Civil Affairs, Theater Engineer Commands, Medical Logistics, and others crucial to opening and sustaining major operations.

The 2016 Army Reserve Posture Statement outlines specific ways to meet mission requirements without placing undue stress on the force. Chief among them are full implementation of Army Total Force Policy, which will ensure distribution of Army resources among all three components based on size, mission, and requirements; integrated training for all three components to ensure the interoperability of our forces; funding for equipment and modernization to ensure compatibility and the ability to respond to emerging global security threats; and programs and services to support the physical and mental readiness of Soldiers and Families.

Working together, I know we can accomplish these goals, and with the continued strong support of Congress, the Army Reserve will continue to protect and defend the Nation at home and abroad, now and for the foreseeable future.

A Global Operational Reserve Force

Today's United States Army Reserve is the Army's sole flexible, tailorable and accessible Federal Reserve force under Federal control. Manned, trained, and equipped to enable combat forces, the Army Reserve provides quick access to trained and ready Soldiers, leaders and cohesive units with the critical enabling capabilities America's combat units rely upon to sustain prolonged operations and win decisively and dominantly.

Ranging in scope from theater-level capabilities vital to major operations to high-demand career fields difficult to retain on active duty, these capabilities add the operational flexibility and strategic depth essential to the Army's ability to prevent and shape events across the full range of operations in which our Nation is, and will continue to be, engaged.

Globally engaged for more than 14 consecutive years of war, the Army Reserve is an integral and essential element of the Total Army and the Joint Force, meeting high operational tempo demands; operating and generating forces to support the National Military Strategy and U.S. commitments worldwide; and providing predictable capabilities to global combatant commands.

As the only Army component that is also a command, the Army Reserve is organized under a single officer who has both staff responsibilities to the Department of the Army as the Chief of Army Reserve and command authority over most USAR Soldiers as the Commander, U.S. Army Reserve Command. Because the Chief of the Army Reserve is dual-hatted as Commander, U.S. Army Reserve Command, there is a great deal of unity of effort within the Army Reserve. This structure allows the Army Reserve to integrate into, and directly support, every Army Service Component Command and Combatant Command across the globe with a footprint that extends across all 50 States and the District of Columbia, six Territories, and more than 30 countries.

Since 2001, more than 310,000 Army Reserve Soldiers have been mobilized and deployed across the globe, to include every major combat zone. During this time, steady demand for Army Reserve capabilities has introduced a new paradigm of reliance on the Army Reserve as a critical part of our national security architecture and an essential partner in preventing conflict, shaping the strategic environment, and responding to operational contingencies, to include Theater Security Cooperation, overseas disaster response, Homeland Defense, and Defense Support of Civil Authorities.

Current and Future Global Security Environment

The United States and its allies face a complex and dynamic global security environment with enemies that are adaptive and growing in numbers, lethality, and the ability to threaten vital U.S. strategic interests around the world. Meeting the defense and security demands of today and tomorrow will require continued access to, and reliance upon, the skills, capabilities, and experience of an operational Army Reserve.

The advantages of a ready and operational Army Reserve are many. When deployed to support operational contingencies and theater cooperation missions, a federal operational Army Reserve force saves the Army money. It reduces the demand for Active Army capabilities, helps mitigate current Army capability shortfalls, and allows the Active Component to maximize time at home between deployments. A ready and operational Army Reserve provides the depth and scalability the Army needs to meet current and anticipated requirements of the Combatant Commands. It

achieves a cost-efficient balance between the utilization of Active Army and Army Reserve forces, applying the strengths and capabilities of each to full advantage, and it provides a sufficient base of trained, equipped and ready Soldiers, leaders and units from which the Active Component can draw when needed. Most importantly, a ready and operational Army Reserve provides the critical enabling capabilities combat forces rely on to initiate, sustain and win prolonged operations. If those capabilities are not prepared and ready for operational use, the Army and the Joint Force could fail their missions.

Readiness, Resourcing the Future Force, Taking Care of Soldiers

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The Army Reserve's greatest concern is resources. The current demand for Army Reserve forces is about 25,000 operational troops annually. To generate that number, at least one third of all Army Reserve forces must maintain prescribed levels of readiness for manning, equipping and training to meet operational requirements. Without the resources requested in the FY 2017 President's budget to man, train and equip those forces, the Army Reserve cannot remain an operational reserve.

Full Time Support is a foundational enabler that sustains readiness and allows Soldiers and units to be rapidly deployable. Training must be integrated among all three Army components to ensure interoperability of our forces. The Army Reserve has taken risk in equipping and modernizing our force, which may affect our ability to respond to emerging global security threats. Finally, our most important resource – our Soldiers, and their families – must be supported with the best possible care, programs and services to ensure their individual physical and mental readiness and well-being.

All of these challenges can be met by relatively simple solutions, including implementing Army Total Force Policy, integrated training for all three components, and sustaining the operational Army Reserve.

Plan, Prepare and Provide

Plan, Prepare and Provide is the readiness model of the Army Reserve. Under this model, the Army Reserve provides trained, equipped, and ready Soldiers and cohesive units to meet global requirements in support of Unified Land Operations.

The "*Plan*" portion of the readiness model regionally aligns Army Reserve units to Army Service Component Commands (ASCC) and Combatant Commands (CCMD). Army Reserve Engagement Cells (ARECs), Army Reserve Engagement Teams (ARETs),⁵ and direct staff planning support provide reach-back capability to assist ASCCs and CCMDs with accessing capability found in Army Reserve forces. "*Prepare*" involves training, assessing and certifying Soldiers, leaders and units for contingent and combat missions. "*Provide*" is the act of deploying those trained and ready Army Reserve Soldiers and units in support of planned or unforeseen ASCC or CCMD mission requirements under the auspices of Army Total Force Policy (ATFP).

Army Reserve Engagement Cells (ARECs) are technical and tactical experts who provide direct staff planning support to Army Service Component Commands and Field Armies. Army Reserve Engagement Teams (ARETs) are smaller elements that help integrate Army Reserve capabilities into Combatant Command- and Corps-level plans across war-fighting functions. Together they address long-term opportunities for the Army Reserve to support Combatant Commanders, facilitate unit and individual training, and provide a reach-back conduit to CONUS-based capabilities.

Army Reserve Engagement Cells and Teams also support the Army's *Regionally Aligned Forces* concept for providing Combatant Commanders with versatile, tailored, responsive and consistently available military capabilities for planned and emerging missions across the globe. Currently, 14,438 Army Reserve Soldiers are supporting the Combatant Commands in missions that include combat support operations in Afghanistan, Civil Affairs missions in the Horn of Africa, deterrence operations missions in Kuwait, military police operations at Guantanamo Bay Cuba, and medical support operations at facilities in Honduras.⁶

Under *Plan, Prepare and Provide*, the Army Reserve delivers continuous and substantial support to the Combatant Commands, working seamlessly with Active Component and Army National Guard personnel, as well as members of the Air Force, the Navy, the Marine Corps, and Allied militaries.

Private Public Partnerships

Another way the Army Reserve promotes readiness is through its Private Public Partnership program (P3). This program was created to accomplish two objectives: 1) Help Soldiers find employment or advance their careers in the private sector; and 2) Enhance the individual and operational readiness of our forces at a time when global challenges are increasing and budgets are shrinking. The two goals go hand-in-hand.

Most Army Reserve Soldiers are traditional Reservists, which means they maintain full time jobs in the private sector. Those jobs encompass more than 148 different career fields that correspond to core military capabilities, including medical, legal, aviation, transportation, chemical, civil affairs, logistics, quartermaster, signal, military intelligence, firefighters and military police.

The Private Public Partnership program merges the best of Army training with civilian professional development and Title 10 training to enhance the skills and competencies of Soldiers and leaders at both the civilian and military levels, and advance the operational readiness of our forces – at little or no cost to the taxpayer.

Using an innovative mix of support initiatives, P3 provides mind/body/spirit programs to enhance individual readiness, job-specific credentialing to enhance leader readiness; and private sector partnering and training to enhance unit readiness to meet specific global needs. The program benefits Soldiers by enhancing their civilian skills and experience. It benefits employers by providing the highly skilled and motivated employees needed to improve the productivity, capability, and resident expertise of their businesses and organizations, and; it

benefits the Army Reserve because those enhanced skills and capabilities will improve the operational readiness of our forces.

Manning: Army Reserve Full-Time Support (FTS) and Personnel Challenges

Today, more than 50 percent of the Army resides in the Reserve Components. Overseas Contingency Operations, Homeland Defense deployments and Domestic response missions are significant undertakings that require Soldiers and units to be ready with little or no notice.

The key enabler that allows Army Reserve Citizen Soldiers to be rapidly deployable and sustains unit readiness is the Full Time Support (FTS) program. There are two objectives of FTS. The first is to improve Reserve Component readiness and mobilization/deployment planning and preparation by performing the foundational activities required to support readiness. Full Time Support provides individual and unit support for day-to-day administration, personnel, medical, training, recruiting, mobilization, and other functions required to sustain an Operational Reserve. The second objective is to provide Active Guard and Reserve (AGR) personnel to Army organizations in support of Reserve Component missions.⁷

Roughly 25 percent of Army Reserve AGR personnel support the Joint Staff, Combatant Commands, Headquarters Department of the Army (HQDA) and major Army Commands. Thus, the FTS program is a critical resource that enables the Total Army and Joint Force to exercise Mission Command.

The need to fully resource the Army Reserve FTS program is well-documented in multiple sources, including a 2009 Government Accountability Office (GAO) report, and a 2011 U.S. Army Audit Agency report, which found that Army Reserve commands did not have sufficient FTS to perform their missions.⁸ While FTS exemplifies Army Total Force Policy, active Army participation through Title XI⁹ is below the level established in current law.

Army Total Force Policy

Army Total Force Policy (ATFP) allows the Army to take a holistic approach to adjusting processes and procedures to better manage Active and Reserve Components as a Total Force. More specifically, it allows the Army to organize, man, train, sustain, and equip the Total Army as one integrated force across all Army components, and ensures uniformity in training and readiness oversight.

A primary tenet of the Army Total Force Policy and DoDD 1200.17, Managing the Reserve Components as an Operational Force, is the integration of Active Component (AC) and Reserve Component (RC) organizations to the greatest extent practicable. This includes the use of cross-component assignments – AC to RC and RC to AC – and the One Army School System (OASS). The One Army School System is the best way to maintain Army-wide individual readiness and it ensures consistent standards across all components. OASS standardizes Army individual education regardless of component and saves resources by offering geographical convenience.

The Army Reserve supports Army Total Force Policy in numerous ways, including multi-component units, Continuum of Service, and the One Army School System (OASS). Multi-component units promote informal leader development, share training opportunities, develop staff functionality, and communicate lessons learned. The OASS ensures Soldiers are able to attend Professional Military Education training, regardless of component, on time and to standard.

Maintaining the right mix of forces and professional personnel with experience and relevant skills is essential to the Army Reserve's ability to provide operational and strategic depth to the Army and the Total Force. Although the Army Reserve is fully integrated into ATFP planning efforts, additional changes to processes and procedures are needed to progress toward full implementation of Army Total Force Policy.

Training

To maintain the operational readiness gained over the past 14 years, the Army Reserve's collective training strategy will require consistent funding. While our Combat Support Training Program is designed to meet Combatant Commander requirements; some Army Reserve units will require additional training days due to the complexity of their particular missions. To date, the Army Reserve has managed to fund training for critical units, but additional resources will be required in the future to support increased readiness standards and demand.

Another negative impact on current and future readiness is the Army's significant backlog of Professional Military Education and Military Occupational Specialty Qualification training. Increased funding and implementation of the Select Train Educate Promote Policy in FY16 should reduce backlogs in the Army's non-commissioned officer education and Professional Military Education systems, although expanding course lengths, course complexity, and other enrollment issues create challenges for Citizen-Soldier participation.

Equipping and Modernization

As with training, equipping requires sustained and predictable funding to maintain a fully operational Army Reserve. Sequestration has adversely impacted critical Army Reserve capabilities leading to a 60 percent reduction in new procurement funding over the last five years. Although the Army Reserve represents nearly 20 percent of the Total Army, it received less than 3.5 percent of the Total Army's FY 2016 equipment procurement budget. Funding constraints further risk widening compatibility gaps, which jeopardize the Army Reserve's ability to support the Joint Force.

Resourcing constraints stemming from sequestration forces the Army Reserve to retain older equipment longer to compensate for delayed and cancelled procurements of enabler programs. This risks compatibility among Army formations and within supported units, and degrades capabilities needed to respond to emerging global security threats.

Risk is particularly acute for the Army Reserve in Mission Command Systems such as the Army Battle Command System, Command Post of the Future, Blue Force Tracker and others, as 90 percent of these systems are incompatible with those of the Joint Force.

Despite funding constraints, Army Reserve Equipment On Hand slightly improved through the redistribution of existing legacy equipment to offset deferring investments in technologically compatible systems not funded in the base equipping budget.

Using funds provided in the National Guard and Reserve Equipment Account (NGREA), the Army Reserve is postured to procure Critical Dual Use (CDU) items in support of Homeland Defense (HD) and Defense Support of Civil Authorities (DSCA).

Sequestration's negative resourcing trends and adverse effects can be reversed by supporting the budget's dedicated and sustained funding for preserving an operational Army Reserve that is compatible with, and fully integrated into, the Total Army and Joint Force.

Employment of the Operational Army Reserve

The National Defense Authorization Act of 2012 expanded the ability of the Army Reserve to assist in domestic emergencies. Section 12304a of title 10 U.S. Code allows the Army Reserve to provide life-saving, life-sustaining capabilities for Defense Support of Civil Authorities (DSCA) for up to 120 days in response to a Governor's request. These expanded authorities are a perfect fit with the Army Reserve's immediately-accessible capabilities that support an expeditionary Army and Joint Force. Army Reserve civilian-enhanced military skills and technical capabilities are present in more than 1,100 communities across the Nation.

In addition, the Army Reserve is well postured to provide critical and complementary response capabilities in support of civil authorities under Immediate Response Authority. A large portion of the Army's medical, engineer, and logistical capabilities reside within the Army Reserve.¹⁰ The Army Reserve provides 100 percent of the Army's Emergency Preparedness Liaison Officers (EPLOs). These EPLOs integrate DOD life-saving capabilities with other federal agencies, state and local governments, and nongovernmental organizations during disaster responses within the Homeland. The Army Reserve is also fully integrated into the standing Department of Defense task force postured for rapid deployment to provide federal support for specific Civil Defense missions involving a Chemical, Biological, Radiological and Nuclear (CRBN) event.

The use of section 12304b authority helps the Army meet global requirements, enables predictable access to the Reserve Components, supports Army Total Force Policy, and maintains an operational reserve force.¹¹ The critical enabling capabilities resident in the Army Reserve must be maximized to provide the most effective support to the Nation at home and abroad. Fully funding the President's Budget request for 12304b reserve component activations will improve the USAR's ability to support Army and Joint force requirements and improve Army Reserve readiness while preserving that of the Regular Army.

Taking Care of Soldiers and Families

Without a doubt, the first and most essential element of readiness is people – Soldiers and Families – and that is where the collective strength of the Army and the Army Reserve resides.

Army Reserve Family Programs provide a host of services to Soldiers, Family members, command teams and Civilians throughout the geographically dispersed Army Reserve community.¹² Available 24 hours a day via phone or email, the Fort Family Outreach and Support Center provides a clear path to command and community resources, with comprehensive and confidential information, assistance, and referrals for every aspect of military life.¹³ The Army Reserve Volunteer Program promotes and strengthens volunteerism by uniting community volunteer efforts, enhancing volunteer career mobility, and establishing volunteer partnerships. Our Survivor Outreach Services Program maintains a Family's connection with the Army Family in times of loss, regardless of the fallen member's duty status or component. Child and Youth Services helps geographically dispersed Soldiers and Families find affordable childcare and youth supervision options within local communities. Army Family Team Building is a readiness training program to educate Army Families about military life.

The military readiness within Army Reserve commands depends upon the readiness and resiliency of our Army Reserve Soldiers and Families. Army Reserve Family Programs helps make that possible for the 254,297 Army Reserve Family Members (89,265 spouses, 145,086 dependents under eighteen years of age, and 19,946 dependents nineteen years and older) in the force today.¹⁴

Suicide Prevention

The Army Reserve has devoted much time, energy and effort to preventing suicide in our ranks,¹⁵ and preventing suicide remains a top priority of the Army Reserve.¹⁶ We are committed to providing the best resources and training available to assist our community-based Soldiers, Civilians, and Families in times of financial, spiritual, physical, or personal stress.¹⁷ The Army Reserve will continue to emphasize proactive prevention and intervention training already in use throughout the Army Reserve,¹⁸ Working together, we can and will mitigate the risk to our formations to the best of our collective ability.

Sexual Harassment and Assault Prevention

The Army is committed to reducing, and eventually eliminating, sexual assault within the ranks through a comprehensive Sexual Harassment/Assault Response and Prevention (SHARP) Campaign Plan that is focused on prevention, enhancing prosecution, investigation, victim advocacy, assessment and accountability. As an integral part of the Total Army, the Army Reserve remains committed to preventing, deterring, and responding to Sexual Harassment and Sexual Assault in its ranks via a multifaceted approach.¹⁹ Our adoption of a more aggressive focus and stance on Sexual Harassment and Sexual Assault has had a demonstrated positive impact in the force.²⁰ We are fully committed to maintaining an environment free of sexual harassment and sexual assault throughout the Army Reserve.

Other Issues

Medical and Dental Readiness

The Army Reserve has made significant improvements in medical and dental readiness through multiple initiatives.²¹ These improvements have resulted in an overall increase in dental readiness from 50 to 86 percent. Currently, less than six percent of the Army Reserve are non-deployable due to a dental condition.²² The Army Reserve has leveraged information technology systems which improve visibility of unit medical readiness, facilitate reporting, and simplify processes for commanders to manage unit readiness and the ability of Soldiers to deploy. Medical and dental readiness must remain fully funded to maintain an operational reserve, capable of consistently providing access to its key enablers.

Army Reserve Network

Army Reserve Network—the Army Reserve’s information technology infrastructure—supports geographically dispersed Army Reserve Soldiers, leaders, and units in making timely, informed decisions, and it supports organizational agility, lethality and sustainability. To accomplish this, the Army Reserve Network must be a secure, standard-based, reliable and adaptable environment that provides access at the point of need to the tactical edge. Maintaining our technological advantage, however, is a constant challenge in an enduring operational Army Reserve. By improving and maintaining an Army Reserve Network that is agile and rapidly leverages advances in technology, the Army Reserve will have opportunities to provide enhanced capabilities that will benefit the Total Army and the Joint Force.

Military Construction, Army Reserve (MCAR)

Military Construction, Army Reserve (MCAR) funding supports Army Reserve readiness and provides for replacement of failing or failed facilities. At current funding levels, Army Reserve facility inventory is on a 200-year replacement cycle. If the current fiscal environment continues in the out years, facility shortfalls will impact the Army Reserve’s ability to recruit and retain quality Soldiers.

Base Operations Support (BOS)

Base Operations Support (BOS) funding provides information technology, communications, logistics, life, health and safety services, range and facility maintenance, civilian salaries, and force protection and environmental stewardship. Accordingly, BOS supports components critical to building readiness in the Army Reserve.

Army Reserve Cyber Capabilities

The Army Reserve committed more than 800 Soldiers directly, and 3,500 Soldiers indirectly, to support cyberspace operations.²³ As threats and technologies evolve, the civilian skills that Army Reserve Soldiers possess will continue to enable our formations to provide a highly specialized talent pool to meet current needs and develop emerging capabilities.²⁴

Today, the Army Reserve is committed to building 10 cyber protection teams, an Army Reserve Cyber Training Element with advanced research and opposing force teams, and to providing highly skilled cyber warriors to the 1st Information Operations Command, the Defense Information Systems Agency, and the United States Army Cyber Command headquarters – a commitment of more than 800 Citizen Soldiers in support of cyberspace operations.²⁵ This force structure effort is budget neutral, which benefits both the Army and the Nation.

As the Army continues to develop its cyber needs, the Army Reserve will continue to grow its cyber force through the Total Army Analysis process. We will also continue to collaborate with all Cyber Mission Force partners to develop new and innovative training strategies, to include public and private partnerships with academia, industry and government, to lessen the length of time needed for training future cyber warriors by leveraging civilian-acquired education and work experience.

Fiscally Efficient and Cost Effective

The Army Reserve is an efficient and cost effective reserve force, providing 20 percent of the Army's total force for less than six percent of the Army's budget. Most of the technical capabilities the Army needs but can't afford to retain on active duty are resident in the Army Reserve, which means their skills are kept sharp at little or no cost to the Department of Defense. The Army Reserve has the lowest amount of headquarters overhead (less than 1 percent) and accomplishes its mission with only 14 percent of the component serving as full time support – six percent less than the average across all Service reserve components.

Sustaining the Operational Army Reserve

The benefits of an operational Army Reserve are clear: A federal operational Army Reserve saves money by providing predictability for the proper forecasting of resources to meet the training, sustaining, manning and equipping thresholds required to provide a steady flow of tailorable capabilities to the Joint Force. It helps the Army mitigate current capability shortfalls, and provides expert capability and invaluable experience indispensable to both current and future conflicts.

Using the Army Reserve in security cooperation missions reduces the demand for active Army capabilities. It allows the Active Component to maximize time at home between deployments; provides the Army Reserve with the opportunity to employ and refine its multi-functional skills; and because the Army Reserve is not full time force, the Army saves money by utilizing it in an established cyclic manner that provides predictability for the Combatant Commands, the Army, and Soldiers, as well as their Families and employers.

Most importantly, an operational Army Reserve entirely under Federal control provides quick access to trained and ready forces and the critical enabling capabilities Total Army and Joint Force combat forces rely on to sustain prolonged operations. If the Army Reserve's enabling capabilities are not prepared and ready for operational use, the Army and the Joint Force could fail their missions.

The policies to maintain an operational Army Reserve are already in place. Chief among them is Army Total Force Policy which calls for the Service Secretaries of all the Military Departments to man, train and equip their Active and Reserve components as an integrated operational force to provide predictable, recurring and sustainable capabilities. Full implementation of Army Total Force Policy is key, and that includes Total Army Training and the One Army School System, which ensures that Soldiers are able to attend Professional Military Education training on time and to standard. Next in importance is maintaining requested FTS resourcing levels.

An operational and sufficiently-resourced Army Reserve is the best way to fulfill both current and anticipated mission requirements consistent with available and estimated future resources. It provides depth and scalability to meet current and anticipated requirements of the Combatant Commands, and achieves a cost-efficient balance between the Active Component and the Army Reserve using the strengths and capabilities of each to full advantage. It ensures capacity needed to support homeland missions, and provides a sufficient base of trained, equipped and ready forces from which the Active Component can draw when needed; helps the Army better manage strategic and operational risk, and maintains the invaluable expertise and experience gained since September 11, 2001.

Today's Army Reserve is the most battle-tested and experienced in our Nation's history. As the dedicated Federal reserve of the Army, the Army Reserve exists to serve the Army and the Nation, and has never failed to accomplish its mission. Ready now, ready in times of crisis, and ready for whatever threats and challenges lie ahead, the United States Army Reserve is America's life-saving, life-sustaining Federal reserve force.

ENDNOTES

¹ G3, USARC, October 14, 2015. DATA SOURCES: MDIS, TOD, TAPDB-R, RTIMS.

² As of October 14, 2015, from G1, USARC.

³ G3, USARC, October 14, 2015. DATA SOURCES: MDIS, TOD, TAPDB-R, RTIMS. 2,960 Soldiers are working in the Continental United States (CONUS), while 14,438 Soldiers are deployed abroad and in support of the Army Service Component Commands, including nearly 780 Soldiers in Afghanistan, 3,650 in the United States, 2,200 in Kuwait, 940 in Cuba, 309 in Qatar, and 200 in Djibouti.

⁴ USARC G-3/5 via HQDA system “MDIS” Mobilization Deployment Information System o/a 19 May 2015.

⁵ The Army Reserve (USAR) established Army Reserve Engagement Cells (ARECs) and smaller Army Reserve Engagement Teams (ARETs) at Army Service Component Commands (ASCCs) at both Army Corps-level commands and Geographic Combatant Commands (GCCs) to facilitate access to USAR Regionally Aligned Forces (RAF).

⁶ G3, USARC, October 14, 2015. DATA SOURCES: MDIS, TOD, TAPDB-R, RTIMS. 2,960 Soldiers are working in the Continental United States (CONUS), while 14,438 Soldiers are deployed abroad and in support of the Army Service Component Commands, including nearly 780 Soldiers in Afghanistan, 3,650 in the United States, 2,200 in Kuwait, 940 in Cuba, 309 in Qatar, and 200 in Djibouti.

⁷ AR 135–2, Army National Guard and Army Reserve Full-Time Support, 1 June 1990, Page 5.

⁸ *Inspector General of the United States Department of Defense Semi-Annual Report to the Congress*, October 1, 2011 – March 31, 2012, p.66. GAO report number GAO-09-898, September 17, 2009.
<http://www.governmentattic.org/11docs/AAA-2012AnnualPerfReport.pdf>.

9 Title XI is the term commonly used to refer to active component advisers assigned to units of the selected reserve. Section 414(c)(1) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 established the Program for Active Component Support of Reserves. 10 U.S.C. 12001 Note requires assignment of not less than 3,500 active component personnel to serve as advisors under the program.

¹⁰ By 2017 nearly 55 percent of all Army operational medical forces will reside within the Army Reserve. Our Expeditionary Sustainment Commands (ESCs) and Army Reserve elements from the Surface Deployment and Distribution Command deploy to locations devoid of infrastructure to open seaports, while our logistics and supply chain personnel are experts at moving life-saving materiel and services into affected areas. A significant portion of the Army's full spectrum engineer capability resides within the Army Reserve, with many of these capabilities almost exclusively or predominately within the Army Reserve. Army Reserve medical evacuation helicopters can rapidly transport patients to critical care facilities. Our fixed and rotary wing aircrafts rapidly deliver life-sustaining supplies, equipment, and construction material into devastated areas.

¹¹ From October 2014 through September 2015, the Army processed mobilizations under 12304b authority for 1,656 Soldiers from 269 units to support preplanned missions for five U.S. Combatant Commands. These missions took place in nine countries: Liberia (14), Egypt (445), Germany (9), Kosovo (490), the United States (511), Belize (1), Dominican Republic (12), Honduras (171) and Peru (3). The missions included Air Defense; CBRNE; Counterterrorism Partnerships; Peace Keeping; Stability Operations; and Theater Security Cooperation support.

¹² Army Reserve Family Programs; database available online at: <http://arfp.org/programs>.

¹³ The Fort Family Outreach and Support Center at <http://arfp.org/fortfamily.html> or via the Fort Family phone number at 1-866-345-8248 provides live, relevant, and responsive information to support Army Reserve Soldiers and Families. Available 24 hours a day, seven days a week, and 365 days a year, it provides unit and community-based solutions that connects people to people. Assistance is provided during times of crisis as well as routine

assistance for other immediate needs to help maintain Soldier and Family readiness and resiliency. By pinpointing Families in need and local community resources, the Fort Family Outreach and Support Center can quickly connect the Soldier and Family to resources, providing installation-commensurate services in the geographic location of the crisis. Fort Family Outreach and Support Center has established a community-based capacity by engaging our Nation's "Sea of Goodwill" to support Soldiers and Families close to their residence. Simply stated, Fort Family via web or phone connects Soldiers and Families with the right service at the right time.

¹⁴ 2015 Demographics – Office of the Secretary of Defense, Defense Manpower Data Center.

¹⁵ G1, United States Army Reserve Command. For example, we placed 36 Suicide Prevention Program Managers (SPPMS) term positions and increased access to counselors and resources across our formations, with an emphasis on reducing the stigma associated with personal, Family, or behavioral health issues. To date, we have hired 31 of these 36 suicide prevention program managers - a good news story. Vacant Positions exist in five commands: the 316th Expeditionary Sustainment Command (ESC), 4th Expeditionary Sustainment Command (ESC), 364th Expeditionary Sustainment Command, 94th Training Command, and Military Intelligence Readiness Command (MIRC).

¹⁶ G1, United States Army Reserve Command, 13 JAN 15. In Calendar Year 2014, the Army Reserve realized a 30% decrease of Army Reserve Soldier suicides from Calendar Year 2013. In Calendar Year 2015, however, year to date Soldier Suicides exceeded YTD Soldier suicides of all preceding Calendar Years. While there is no universal set of factors leading to a suicidal event, the detailed analyses of Army Reserve 15-6 investigations of suicidal events continue to identify the same stressors. For example, many Soldiers who died by suicide are male, single, junior-enlisted Soldiers that have never deployed, are unemployed, and are suffering from relationship and financial, and substance abuse challenges. We continue to face the same complex challenges of any geographically dispersed force in combating this problem, which is we lack frequent physical contact with our Soldiers and have limited access to military installation support. We also recognize that many Soldiers continue to face life challenges and need our help.

¹⁷ For example, the United States Army Reserve developed five best practices to combat the issue of suicide within our ranks. First, we mandated personal contact with Soldiers and Family members between Battle Assemblies. This is a particular challenge for a geographically dispersed force that requires creative solutions to overcome. Second, we tried to establish enduring cultural change, systems, and processes that integrate resilience into our Soldiers and Families. Third, we emphasized attention to "newly" assigned Soldiers to ensure their transition is a positive one. Fourth, we promoted and advertised local resources (e.g., Fort Family) that help address the issue. Finally, we encouraged public, command recognition of Soldiers who intervened and took action to prevent a suicide and help a Soldier or a Family member (e.g., the "Promoting Life" Awards Program). G1, United States Army Reserve Command.

¹⁸ For example, Army Reserve initiatives to prevent the tragedy of suicide include: Ask, Care, Escort Suicide Intervention Training (ACE-SI) for Unit Junior Leaders and First-Line Supervisors; Applied Suicide Intervention Skills Training for Trainers (ASIST T4T) for Unit first responders and ASIST T2 (two-day training) for Gatekeepers; a Leader Guide and Battle Buddy Computer Application; and additional education and awareness at Pre-Command Courses. G1, United States Army Reserve Command.

¹⁹ The Army Reserve established four full-time Special Victim Counsel (SVCs) positions, located at each of the four Regional Support Commands; 42 Troop Program Unit (TPU) SVCs, located at the Army Reserve General Officer Commands (GOCOMs); and 27 SVCs, located within each Legal Operation Detachment. The Army Reserve also established 50 full-time Sexual Assault Response Coordinator/Victim Advocate (SARC/VA) positions that span the footprint of the Army Reserve. Although 43 of the 50 SARC/VA positions are currently filled, they are staffed with personnel in a MILTECH and AGR status. Previously, the Army Reserve maintained five hotlines listed on the Department of Defense (DoD) Safe Helpline website, which were accessible for referral through the Helpline operators. To improve responsiveness, accessibility and breadth of resources, the Army Reserve consolidated all hotlines under the Fort Family Outreach and Support Center. The Army Reserve routinely participates in and hosts forums and panels at all levels of command in the Army. This includes meetings with the HQDA SHARP Program Office and the SHARP Academy to improve Army Reserve participation in policy formulation, training, and future

developments. The Army Reserve also utilizes improved analytics to inform current and future mitigation efforts. Finally, our adoption of a more aggressive focus and stance on Sexual Harassment and Sexual Assault demonstrated a positive impact in the force. We are fully committed to maintaining an environment free of sexual harassment and sexual assault throughout the Army Reserve.

²⁰ We are making great strides in improving our training capabilities across the Army Reserve. In fact, we were able to provide Army Central Command (ARCENT) with a trainer to teach an eighty-hour SHARP course in Afghanistan. The Army Reserve has the flexibility to augment the Army because we identified 12 Command SARC to cross train as instructors through the SHARP Academy. We also now have the capability to run 26 of our own 80-hour training courses this fiscal year (FY) compared to only three in the last fiscal year. A deeper bench of Army Reserve SARC instructors allows us to provide more reserve component specific examples and information to students while simultaneously alleviating strain on active component school seat quotas. While there is always more work to be done to prevent Sexual Harassment and Sexual Assault, we remain laser-focused on doing everything possible to reduce, and eventually eliminate, sexual assault from the ranks.

²¹ Improvements through multiple initiatives, including the Army Reserve Medical Management Center (AR-MMC), the Army Selected Reserve Dental Readiness System (ASDRS), and by leveraging improvements in medical and dental readiness tracking and reporting systems. Surgeon, OCAR. The AR-MMC provides case management for Soldiers with medically non-deployable conditions until their condition is resolved or the Soldier reaches their Medical Retention Decision Point (MRDP). If the Soldier reaches their MRDP, the Army Reserve, AR-MMC, and Army Medical Command work together to provide improved processes for those Army Reserve Soldiers requiring entry into the Integrated Disability Evaluation System (IDES). The ASDRS continues to ensure dental treatment for Soldiers whose dental conditions make them non-deployable. Implementing a requirement for annual medical and dental assessments in 2008 improved our ability to adequately determine the medical and dental readiness of the force. Additional initiatives include; Decrease Non-compliance (reduce medical indeterminate), Improve Dental Readiness, Reduce Medical Non-Deployable, Reduce Medical Readiness Turbulence, and Improve Medical Readiness Reporting (Visibility).

²² Surgeon, OCAR. The Army Reserve goal for dental non-deployable is less than 3 percent of the force (5,940 of the 198K end strength).

²³ OCAR G-3/5/7 (FWD). These 3,500 Soldiers come from signal units that provide defensive cyber operations support to DoDIN. These 3,500 positions supporting signal cyber operations encompass Soldiers assigned to perform a Cyber Security mission set. The 1545 by FY 2016 represent those assigned to cyber units performing cyber as their primary mission. The rest encompass the Signal Soldiers assigned down to the unit level who perform their cyber security mission in support of the overall DoD information network. While not assigned as "cyber" Soldiers, their oversight and defense of the network must comply with the cyber effort in order to enable our layered defense.

²⁴ Staff Sergeant Lydia Seaborn, the first female Cyber Soldier in the U.S. Army Reserve, best exemplifies this point. In a year of ground-breaking achievements for women in the military, Staff Sergeant Seaborn recently became the first Army Reserve female graduate from the 25D Cyber Network Defender military occupational specialty course at Fort Gordon, GA. SSG Seaborn's achievement was only intensified by the fact that she also became the first female Distinguished Honor Graduate and the first Troop Program Unit (TPU) Army Reserve Soldier to graduate the active duty Army MOS producing school. SSG Seaborn, a Florida native who currently works at the Library of Congress as a Security Advisor, personifies the utility gained in both the private and public sectors from Army Reserve Citizen-Soldiers. In her civilian career, SSG Seaborn "provides oversight for the Library's Continuous Monitoring Program, and serves as the liaison for all annual audits. In her Reserve capacity, SSG Seaborn has been a "system administrator, a domain admin, an Information System Security Officer, an Intrusion Detection analyst, an Organizational Inspection Program Auditor, and most recently, ...a Forensic Analyst with a small dabble in ...Malware training." The unit she serves in now "supports an ongoing initiative that provides security and network monitoring, incident response and forensic analysis in the field to various middle-eastern countries to include Kuwait and Afghanistan ... Every year there is a deployment rotation and our Soldiers go overseas to provide Cyber security expertise that is needed."

²⁵ OCAR G-3/5/7 (FWD). These 800 Army Reserve Cyber Soldiers are current Army Reserve assets plus TAA 16-20 wedge (ARCOG, Wedge (~four hundred), DISA ARE, and 1st IO Command 'ARE'). One Hundred Eight of these Soldiers will serve in the Army Reserve Cyber Training Element. Four Hundred Sixty-Nine of these Soldiers will serve in the Army Reserve Cyber Operations Group.

Mr. FRELINGHUYSEN. Great. Thank you. Good finish. Good finish. Thank you, General Talley.

Member questions. Mr. Calvert, in order of arrival, and then Ms. McCollum.

GUARD AND RESERVE FACILITIES

Mr. CALVERT. Thank you, Mr. Chairman.

Something that I think may be going on across the country, certainly in my part of the world in southern California, we have had—and I think I have brought this up before to a couple of you in the past. A lot of the facilities that were built for the Guard were built between World War II and Vietnam, a lot in the small communities, you know, the Cold War reaction. And many of these buildings aren't energy-efficient; they are old. Obviously, we have budgetary issues.

How much thought has been going into consolidating these Guard facilities into larger facilities? For instance, I will use an example, March Reserve Base in my part of southern California, where we built large Guard facilities, which you may have visited, one of you or two of you, and Naval Guard facilities and Reserve facilities, where you can consolidate equipment, mechanics, bring on some efficiencies to bear.

How much thought is there about consolidating some of these small facilities into larger facilities to get some economy of scale? General.

General GRASS. Congressman, if I could start.

First of all, BRAC-05 made some huge changes for the Guard, and we have consolidated many facilities over the last probably 5 years. I have been to a lot of Active Duty posts where we now have our regional training institutes located, which is helping us come together, Active, Guard, and Reserve, using those facilities.

Our joint force headquarters. Recently, I was in Delaware, where they dedicated a new building, and the Chief of the Navy Reserve was there with us as we did a ribbon-cutting. So on one side of the building is the Delaware State headquarters. On the other side, it is shared with the Navy Reserve.

We see more and more of those. Of course, they were 100-percent financed if we built them on—they were joint and built on an active installation, so that was very helpful.

States are in a bit of crisis right now to find money, many States are. But, sir, you hit on it. There are a lot of old facilities. Tim and Brian can give you more, but the last number I saw, we were well over 45 years, average age of some of our small facilities.

General KADAVY. Congressman, I will just add from the Army National Guard standpoint, 47 percent of our readiness centers have an average age of 50 years or older.

Now, we have invested, as General Grass said, through BRAC and Grow the Army to build some new facilities, but most of our armories are still either degraded, misaligned, or out of date. Many of them were built in the 1950s and 1960s for a different type Army that doesn't quite have the kit of past years that we have today, larger vehicles and et cetera. So your comments are right in line.

Unfortunately, the Army's strategy over the last few years has been less MILCON and more FSRM and BOS to sustain the current facilities. So we are fighting through that right now as we try to maintain our status of our facilities at what is currently, this year, at a fair rate. We project, without adequate funding—or, at current funding levels, by 2018 we will be at a poor level, and by 2027 we could potentially be at a failing level for the Reserve centers in the Army National Guard.

Thank you.

General NEAL. Well, Congressman, you know, the Chief and General Kadavy have already talked about the age. And, as you point out, your earlier question is how do we combine and how do we basically get the best synergies.

Most of our Air Guard bases, frankly, are standalone and pretty small. But at the big places like March, we are looking at not only combining facilities but combining operations.

And so I don't know if you have heard the Chief of Staff of the Air Force and the Secretary of the Air Force talk about total force integration. So we are looking to combine functions, which, by definition, will combine people doing the same job into the same building, and that is how we will get synergies. We are still in the infancy, but we are all for that, so we support that idea.

General TALLEY. Sir, I just want to add to that. The Army Reserve has 58 facilities in your great State, 16,000 soldiers, and our economic impact to the State of California is about \$962,000 a year.

We are already doing this, to echo on what General Grass is saying, where we find ways to not only combine and share facilities across all the Reserve components, to include our great Guard, but Hunter Liggett is a great place to look in California, where we not only have integrated facilities but integrated operations in terms of training.

And I would argue Hunter Liggett in California is a great model, particularly when we use camp parks and partner very strongly with the California Guard. That is a great business model for us to use for the rest of the United States as we try to improve our efficiencies and share facilities and in training and operations.

Mr. CALVERT. Well, I just bring that up because, you know, in Corona, California, my hometown, and Riverside next door, both of the communities wishing to take over those old facilities that were built 50, 60 years ago and consolidate that at March, which everybody seems to be in favor of doing. So the sooner we can do these type of things—and I think it is going on all over the country—the better. So thank you.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Thank you, Mr. Calvert.

Ms. McCollum and then Ms. Granger.

LODGING-IN-KIND PROGRAM

Ms. MCCOLLUM. Thank you, Mr. Chair.

I have a quick question for the Reserve and one for the Guard.

One issue I have been hearing a lot about, my staff has been hearing a lot about, is the lack of adequate funding for a lodging-in-kind program. It is a program that Reservists from rural districts depend upon to give them a space to sleep over drill week-

ends. And because the program has not been adequately funded over the last 2 years, we are hearing that many Reservists have been forced to pay out of pocket for their lodging costs and their transportation. And these are costs that many of them cannot afford to pay, but I just, quite frankly, don't think they should be paying.

So, General Talley, can you tell me why we are not adequately funding the lodging-in-kind program? And that has to have an effect on retention in the Reserves if you start paying out of pocket. What can we do to help you with that?

General TALLEY. Congresswoman, thank you very much for the question, because it is something that I tried hard to initiate my first year in the job.

So the Army doesn't have—the Army does not—I am ashamed to say the Army does not resource in-kind lodging the way that our other services do. It is not a policy issue; it is just a resource issue.

So, within the Army Reserve, as the Chief of the Army Reserve, I have self-funded the in-kind lodging program that we have in the Army Reserve. So I am looking across the Army Reserve budget and saying where can I assume risk elsewhere to bring some money into an Army Reserve in-kind lodging, focused on company-level command teams and below, especially those that are more than 50 miles out. And I have funded it every year out of the Army Reserve account.

But it is only a very, very small amount of money, and I would love to grow that program and, particularly, provide more capability and resourcing. Because since we don't have State boundaries and it is very common in the Army Reserve culture to go from this State to that State as you are drilling and training, it does become very problematic.

NATIONAL CYBER GUARD

Ms. MCCOLLUM. Well, if you would please get the committee staff the amount that you are spending currently and then whatever the shortfall would be, I would appreciate that.

I have a question about the cyber protection teams in the National Guard, and either one of you gentlemen can answer it.

In 2015, the National Guard announced plans to activate 10 National Guard/Army cyber protection teams, covering 24 States, and they are based on FEMA regions. And one of the States, of course, you know, full disclosure, FEMA Region 5 is Minnesota. And it is my understanding that three teams were activated last year, but there are seven teams left to be activated yet.

And you have all kinds of information, I was just out on your Web site, about the National Cyber Guard and announcing, you know, the States that are going to be participating in it, yet these teams were not funded in the fiscal year 2017 budget. And as the cyber domain continues to expand, I agree with you, I believe these teams are going to be essential to meet our national security demands. Citizen soldiers of the National Guard bring private-sector experience and expertise that makes them uniquely qualified for the critical task of defending our national security in the cyber domain.

So could you please tell me about these vital roles these teams are going to be playing? What is your rollout for structure?

And how do you make your decision on which FEMA team gets resourced first? Is it teams that you can stand up quick? I would think Team 5, which includes Chicago, Milwaukee, Madison, and the Twin Cities, would be ripe with people that you could train to train the trainer in the future.

And what is it going to take to adequately fund these teams? And can you tell me the three teams that are currently funded? That I couldn't find on the Web site.

General KADAVY. So, Congresswoman, yeah, you are correct, we did name all 10 CPTs, cyber protection teams, late last year. While they are beginning to stand up, they actually don't activate until fiscal year 2017 for the first three teams. The next four are in fiscal year 2018, and then three teams in fiscal year 2019. They can begin to grow, but the full resources don't show up until those years.

So POM funding for our cyber protection teams begin in the POM year, fiscal year 2018 through 2022. So all that is being taken out of current-year operational tempo and paying allowances to begin to train the servicemembers. And we project that to be a 12- to 24-month period to train them at a cost of about \$10 million, a million dollars per team, as we begin to stand those capabilities up.

As is related to Cyber Guard, we did provide earlier cyber network defense teams to all 54 States, territories, and the District of Columbia, and many of them are what participate. Those have been ongoing with different various levels of training. And they go there, compete, and share lessons learned on how to protect their State networks, their Guard network.

Ms. MCCOLLUM. Well, I asked the question, what three are standing up?

General KADAVY. The three that stand up in fiscal year 2017 are Georgia and California and then a combined CPT of Ohio, Michigan, and Indiana. Those are the ones that were announced about a year ago this time.

Ms. MCCOLLUM. And, Mr. Chair, sir, what is going to be the next round, and how do you determine that? Based on what? What is your criteria?

General GRASS. Congresswoman, when we looked at the Army and Air combined, one of the things we took into consideration is where is the expertise in academia, where is the expertise in business and industry.

And so we took the Army and Air, the two Directors came to me, and we are actually on a path right now that, if we field everything and get everything trained up in units in the States, we will have at least 30 States with a cyber capability by 2019, both Army Guard and Air Guard.

So we take all those criteria, we do an analysis. We work with the States, we look at their strength, their ability to have structure. And then we start standing it up.

CYBER

Ms. MCCOLLUM. Well, that was my question. So you have a formula that you can send to the committee so we can figure out—

because cybersecurity is something that we are talking a lot about and figuring out how this works and how we can be helpful with that.

You didn't have funding in the budget last time. The committee supplied it, and you stood up three. If you were to somehow or another receive more funding, do you have a process in place to stand up some more?

General GRASS. Congresswoman, one of the issues we are dealing with right now, all services and all components are pushing for cyber as fast as we can. And there are three levels of training they go through. Their initial skill training, which is when they enter the military; then there are certifications they have to receive; and then there is joint training.

What we are looking at right now across the board is what can we bring a soldier or an airman into from civilian skills and give them credit for that so we don't have to replicate that. Because there is just not enough infrastructure and enough instructors yet to get that up and running. But we are pushing as fast as we can.

Ms. MCCOLLUM. Mr. Chair, my last question.

Well, then I am confused, because I just asked you if you had a protocol in place. You have three States, three FEMA regions, right—

General GRASS. Yes, ma'am.

Ms. MCCOLLUM [continuing]. Stood up. So, obviously, you have criteria on what you need to move forward, correct?

General GRASS. Right. The services own that criteria.

Ms. MCCOLLUM. Okay. And so my question was—and what you said you did is you looked at regions to see what kind of assets—academia and the rest—that they have. So I am assuming you have done that with all the FEMA areas. I mean, there aren't that many of them to take a look. So you could have some cybersecurity teams ready to go.

And, now, if I just heard you right, the three that we talked about, they are in the early stages where you are trying to figure out even what they have to offer?

General GRASS. No, no. What we are trying to do, ma'am, is, as new teams stand up, we are finding that a lot of the individuals, the soldiers and airmen we are recruiting have some skill set already. And what we want to be able to do is, you know, we can extend our capacity to train if we can give them credit for certain courses. And we are working on that right now with CYBERCOM.

Mr. FRELINGHUYSEN. Well, let's provide the Congresswoman some additional information so that we can satisfy her questions.

Ms. Granger and then Mr. Ryan.

FULL TIME SUPPORT

Ms. GRANGER. Thank you all for being here today, and thank you for your service. I hope you know that we appreciate it and we depend on it.

I have a question for General Grass.

We often discuss end strength and our concerns about reductions. However, the topic of Full-Time Support is often left out of that discussion. You brought it up and mentioned it in your opening remarks, and I appreciate that.

But the numbers are really startling. A total of 2,350 Full-Time Support cuts in fiscal year 2015 and fiscal year 2016. Fiscal year 2017, the budget proposes an additional reduction of 1,207.

Can you give us more of an insight of what the impact will be on that and the importance of Full-Time Support?

General GRASS. Congresswoman, first of all, it is a foundational principle that the full-time manning is what makes us click at home. Last week, you know, in Texas—you can pick any State—the first individuals in that armory, to open that armory for responding in the homeland are going to be the full-time staff. They have the keys, they have the logbooks.

If you look to the future and as we reduce these numbers, there will be less people at those armories to open those doors in the homeland mission. The same folks are the folks every day that are working to get units ready to go overseas for our 10,000 Army and Air Guardsmen that are deployed overseas. They are taking care of those families of those deployed when issues arrive. They are working with the recruiters to put people in. They are working pay issues. So they are a foundational readiness producer for us.

What we have seen is it is the largest pot of money. So, as we take reductions, it is the one account that we have to take money out of to be able to, you know, across the board, be able to pay our bills. We are very concerned right now of dropping below the 2016 levels. As you mentioned, ma'am, 1,207 more positions in 2017 we would lose out of those armories.

We started the ramp that we are on today, we started that in about the 2000–2001 timeframe. And that was built by a study that was done by the Army, and it was looking at transforming, you know, our old traditional style of Guard weekend to a more modern operational force. So that was done even before the war started.

And all we are asking is to kind of get to about a 70-percent level. We are just under that today. And if we could maintain a 70-percent level, we feel that it is adequate spending. I mean, it is money well spent for the Guard. But, also, if we are going to remain operational, as we are today, we have got to have those individuals in those armories.

Ms. GRANGER. Thank you.

Mr. FRELINGHUYSEN. Thank you, Ms. Granger.

Mr. Ryan, then Judge Carter.

NATIONAL GUARD COUNTER-DRUG PROGRAMS

Mr. RYAN. Thank you, Mr. Chairman.

I have a couple questions here, one regarding the National Guard counter-drug programs.

General Grass, as you know, this committee has put additional resources into this program that gives some support to local law enforcement, both State, local law enforcement. And we know that from 2011 till 2014 the National Guard has allowed a total of more than \$130 million to expire from this account instead of transferring the funding back to the larger Defense counter-drug account.

So I would like to ask, given everything that is happening in the country with opiates and heroin and everything else that is going

on, is this an important program for the Guard, and do you value this program? And why has the funding not been executed?

General GRASS. Congressman, the funding is vital. The problem we are having is the episodic budget that we are dealing with, being able to keep men and women. You know, we make a commitment to them, and then we don't have the money to start the year. It has caused problems.

For 2017, the amount in the budget is about \$87.7 million. This year, thanks to this committee and the great work that you have done and others, we are \$212 million total. It is probably about the best we have ever had. It fully funds our five counter-drug school-houses, and every State receives an allocation of counter-drug funding. And we received it early enough in the year that this year we will probably be pretty successful with executing that amount for 2016.

We really feel that for 2017 we need to get that number definitely back up to about \$212 million to \$220 million based on the demands the States have given us.

I met yesterday with the new SOUTHCOM commander, and we are looking at how we build our strategy within the States that we have. Each State has their program, but how is that reflected then with the combatant commander to the south of us, Southern Command, and Northern Command? And how do we build that strategy, working with the Threat Integration Committee?

So it is a vital program today, and not just on our borders. It is in our hometowns. It is heroin. You know, it is abuse of prescription drugs.

Mr. RYAN. So there is no funding in the budget request for these training centers now?

General GRASS. There will be some in there. We will probably—with the current budget, if we went to \$87 million, we would be lucky to keep one open, which I talked to the Deputy Secretary that owns that account. We could probably keep one open if we come all the way back to \$87 million. But the amount of money in each State would significantly drop.

Mr. RYAN. And so if we got back up to the 220, 215 area, you would be able to utilize all five—

General GRASS. Yes, sir.

Mr. RYAN [continuing]. Centers?

And the problem before was what was happening here in Congress—no budget, continuing resolutions. Is that what you were saying?

General GRASS. Yes, sir. And getting the money halfway through the year, not being able to bring on the full staff and get them out there working with law enforcement till half the year was gone.

Mr. RYAN. So the times that you were able to train up a little bit and get people out and coordinated with the other law enforcement agencies, did you see some level of success in those programs?

General GRASS. Yes, sir, we have. In fact, I have been at a session with the Office of National Drug Control Policy where a representative from the White House came over and presented four of our young counter-drug warriors with awards for their great work in counterthreat finance, where their information that they were able to obtain, working for law enforcement, resulted in millions of

dollars captured and take those individuals to court and prosecute them.

Mr. RYAN. This is primarily coming in from Mexico?

General GRASS. Sir, it is from everywhere.

Mr. RYAN. I mean, I know it is everywhere in the United States, but, from our understanding, working on this in other committees that I am on and other caucuses, there is a concentration somewhere in Mexico where a lot of this heroin is coming out of.

General GRASS. There is.

Mr. RYAN. Is that where you have seen some of the success?

General GRASS. Yes, sir. And not that long ago, I went and met with the Governor of the Virgin Islands and I met with the Adjutant General of Puerto Rico, and they are seeing an increase coming up in through the eastern Caribbean now, as well.

Mr. RYAN. Okay.

Are we going to have another round, Mr. Chairman?

Mr. FRELINGHUYSEN. We will, certainly.

Mr. RYAN. I yield back.

Mr. FRELINGHUYSEN. Let me turn to the co-chair of the Army Caucus, who raised the flag for the Army this morning with Mr. Ruppertsberger, his other co-chair, Judge Carter. And then Mr. Graves.

REGIONAL TRAINING INSTITUTES

Mr. CARTER. Thank you, Mr. Chairman.

General Kadavy, as you know, the established regional training institutes, those are critical to the Army's total force policy and overall readiness for the Guard and Reserve. A major shortcoming in this initiative is the inadequate sustainment, restoration, and modernization funding.

Can you please describe the importance of the regional training institutes, what the RTIs do specifically to increase National Guard readiness? And will you be supporting those States that are establishing these important institutions with additional SRM and operations and maintenance funding to ensure their success?

General KADAVY. Congressman, thank you for the question.

Regional training institutes, sir, are key institutional school-houses for us. So they do professional military education, primarily for noncommissioned officers, but they also do officer candidate school and warrant officer candidate school, as well as reclassification. So when a soldier moves from one community to another and can no longer be an infantryman but now is going to be an armor soldier, they do reclassification there as well.

FSRM is key to us. We prioritize it to the best of our ability to achieve those, but it is a critical funding issue for us. We will have to continue to work on it. The priorities always go to the readiness centers. But we do put quite a bit of resources—and we will get you that full number—into our RTIs, Congressman.

Mr. CARTER. I know the Guard in Texas is trying to set one of them on Fort Hood, on North Fort Hood. Got some space disputes going on right now, but we are working on it.

General KADAVY. Yes, Congressman. So that would be an extension to their RTI, the regional training institute, down around Austin at Camp Mabry.

Mr. CARTER. Mabry, yes.

General KADAVY. And what they are looking at is some facilities to do some additional combat arms training at Hood for the infantrymen, field artillerymen, and scout advanced training.

I am aware that we are working an issue, along with the Texas Army National Guard, to get some license so we can have some predictability in facilities there at North Fort Hood so that we could train on them. We don't have it yet. That is an impact from the predictability, as it is related to the course instructors and the planners that want to know when they can hold courses and et cetera.

But, almost always, our longest, most limiting factor in accomplishing that mission is the pay and allowances related to our school dollars on a yearly basis.

Mr. CARTER. Well, we are certainly working to try to get that issue resolved, and we are hopeful.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Judge, you might could define your acronyms that we are putting out here as well, too. I am familiar with most of them.

The gentleman from Georgia, Mr. Graves, and then Mr. Womack.

ARMY ASSOCIATED-UNITS PILOT PROGRAMS

Mr. GRAVES. Thank you, Mr. Chairman.

And just as Texas, Georgia is proud and Army strong. And I wanted to just first thank both General Grass and Kadavy for this morning's announcement as it relates to the associated-units pilot program. And I just had a question or two about that. And I know Georgia will make you proud. I am grateful that Georgia National Guard was chosen as one of the pilot programs, located in Macon.

Can you help us with an understanding of how you expect or anticipate this will create additional readiness for our National Guards and what your anticipations or goals are?

General GRASS. Congressman, if I could start.

When I first looked at this, and General Milley was working on it with us, my first thought was, this is what happens every day overseas right now. So if we can work together overseas like we have for 15 years, well, we ought to easily be able to make this work at home.

General KADAVY. Congressman, just as General Grass said, we want to train the way we fight. And it is important that we work on a day-to-day basis together as the three components of the Army.

The 48th—great history and have deployed multiple times, tremendous leadership and tremendous soldiers. They are the right unit. So they are going to be unique. Not only are they going to be associated with the Third Infantry Division, the battalion out of Fort Benning is going to be associated with that particular brigade, as well.

So we are going to learn a lot. It is a pilot project. There will be additional training days and additional exercises, but they will be focused on training specifically with the Third Infantry Division.

Mr. GRAVES. What type of indicators or benchmarks you will use maybe to judge its success or make adjustments? Any thoughts on that you can share?

General KADAVY. Well, the unit status report is always a good starting point. We will see what the impact is of the additional resources and the association to the training rating, in particular. And then we will see what value we are getting out of the integration, both from the Active and Army National Guard standpoint.

Mr. GRAVES. Great. Thank you. Thank you, sir.

Thank you, Chairman.

Mr. FRELINGHUYSEN. Thank you.

Mr. Womack and then Mr. Coal, the gentleman from Oklahoma.

REGIONAL TRAINING INSTITUTES

Mr. WOMACK. Thank you, Mr. Chairman.

And for the record, let me just say that the question about the RTI came from the distinguished gentleman to my right, Mr. Carter, and not from me, a former RTI commander.

And I would just—you know, if you will indulge me just a minute, General Kadavy made a great response, but RTIs add a lot of value, because we are able to take a very important component of the unit status report he was just talking about, MOS qualification, and be able to dramatically change those percentages, which is a fundamental component of whether a unit is ready to mobilize in support of our country.

And in the case of the 233rd down in Arkansas, we had reclassification programs for the field artillery, for the infantry. And, General Grass, you will remember, we stood up a signal component, 25 series, for Fort Gordon to answer the needs of a lot of our Active component in the signal arena.

So the RTIs are very, very nimble and extremely qualified in producing the warfighter specialty qualifications that go into their overall readiness, in addition to the officers that are coming out of the OCS program. So I am a big fan of it, not just because I had a relationship with it but because they do a terrific job.

STATE PARTNERSHIP PROGRAMS

On another subject—and I am going to talk about State partnership for just a minute. This whole committee understands the importance, I think, of being able to put National Guard and Reserve component soldiers in key places around the globe to build goodwill, to enhance training opportunities, and to, in a reciprocal basis, be able to introduce our forces and their forces for joint activities.

And you were telling me a story, General Grass, the other day, about Moldova, and I want you to just go over that real quickly to illustrate how much value we get and the logistical efficiency that takes place when we do one of these reciprocating-type events. So could you explain that one real quickly?

General GRASS. Yes, Congressman.

We worked very closely—in the case of Moldova, that has a partnership with North Carolina. General Ben Hodges, you know, the commander, Army commander in Europe, wants to engage more.

And you can think about where Moldova is and the people and their attitude to what is happening to their east.

And so, with the partnership, we took soldiers, took a unit out of North Carolina for their annual training period, put them on a C-17. They flew to Moldova; they are training there for 2 weeks. The same C-17 that took them over picked up a mortar platoon from the Moldovan force, brought them back to North Carolina. In fact, they are just finishing up right now. And then they trained with the U.S. forces in primarily North Carolina. At the end, we just did the same rotation back and forth.

You know, the interoperability that we are building with that mortar platoon, especially in that critical part of the world, and the experiences our men and women from North Carolina are getting there and the theater, campaign, the theater security cooperation that is going on right there for General Hodges, as well as General Breedlove, it is a small event, but it is big in today's world.

Mr. WOMACK. So, General Grass, if you were given an opportunity to expand the SPP program, where would you take it? And what can this committee do to help the National Guard expand it?

General GRASS. Congressman, you know, this year's budget right now is sitting at about \$9.8 million overhead. Because, as I just explained, that training event, we used some combatant commander dollars, we used some of our training dollars once we build the association, but there is an overhead of having a bilateral affairs officer in that country from the U.S. to work that. There is an overhead for an adjutant general to do his visits or her visits and to link up with their partner.

So, in order to go beyond the 76 countries we have right now, we really need about \$16 million to \$20 million a year to support our overall program. Again, we are sitting at about \$9.8 million for 2017.

Again, this committee was very helpful in getting us money for 2016, which will allow us to expand at least one more partnership this year in the Pacific. And, again, I met with the SOUTHCOM commander, and I know there is a lot of interest right now in adding another country in South America, as well.

But without the additional overhead, at some point we will have to either stop adding partnerships or reduce the overall engagement. And the combatant commanders have told me they don't want to reduce the overall engagement today.

Mr. VISCLOSKY. Would the gentleman—

Mr. WOMACK. Suffice it to say, Mr. Chairman, our State Partnership Programs are a subject matter that is covered by every single member up here that has these associations everywhere we travel, including recently to South America.

I yield to the gentleman from Indiana. Yes, sir.

Mr. FRELINGHUYSEN. Mr. Visclosky.

Mr. VISCLOSKY. I appreciate the gentleman raising the issue.

General, I thought that account had about \$19 million in it for the partnership total?

General GRASS. Sir—

Mr. VISCLOSKY. Or am I incorrect on that? Because you had mentioned \$9.8 million.

General GRASS. 9.8 is in the budget right now for 2017. For 2017.

Mr. VISCLOSKY. Okay. So you are asking for 9.8 for 2017.

General GRASS. No, sir. It is 9.8 is what came forward in the budget that was requested from Congress. We are asking for a plus-up—

Mr. VISCLOSKY. 2017.

General GRASS [continuing]. Of about \$7 million to get us—

Mr. VISCLOSKY. And that was 2017.

General GRASS. For 2017.

Mr. VISCLOSKY. Okay. And you used the example with Moldova and North Carolina. Essentially, those moneys for all that transport—and that is an example, it is illustrative—is not coming out of that.

General GRASS. And, sir, that was a training point—

Mr. VISCLOSKY. That is to the training point, yeah, right.

General GRASS [continuing]. For the C-17 pilots.

Mr. VISCLOSKY. So the general question, following up, if the gentleman will yield again, is there is a legitimate need for some additional resources here to make sure that is a robust program.

General GRASS. Yes, sir. Absolutely. Thank you.

Mr. VISCLOSKY. I appreciate the gentleman yielding.

Mr. WOMACK. I will have other questions, but I will yield back for right now.

Mr. FRELINGHUYSEN. Okay.

Mr. Cole and then Mr. Diaz-Balart.

EQUIPMENT NEEDS

Mr. COLE. Thank you very much, Mr. Chairman.

Gentlemen, I am sorry I missed your testimony. We are all juggling a lot of hearings these days, so I apologize for that very much.

I will start with you, General Talley, if I may, and then, General Grass, you may want to hand this off a little bit. But I am interested in where we are equipment-wise right now. If you had to pick four or five areas of equipment that you feel like we are short or not up to what you need, could you shed some light on that?

And then I would like to ask the same question with respect to the Guard.

General TALLEY. Congressman, thank you for the question.

Well, here is where we are in terms of both our equipment on hand and the modernization. The Army Reserve right now is about 92 percent of our equipment on hand is there, and about 72 percent of that is modernized.

But the real challenge I have on equipment modernization is the Army Reserve's equipping/modernization budget is approximately 2.6, 2.7 percent. Our pre-9/11 levels, which I know you missed because you came in after my opening testimony, were 6 percent.

So pre-9/11, the Army Reserve—which was part of the operational force, but I think it is fair to say we were considered more strategic collectively as a Reserve prior to 9/11—I am 6 percent of the equipping/modernization budget. Fast forward to today, I am 2.6 percent, 2.7 percent, depending on how you view the numbers, of the equipping/modernization budget. Thirty-five percent of all my procurements from really 2013 to 2015 were from NGRE. So this is problematic.

So we are lagging behind the other two components. And what concerns me is, since most of the enablers are in the Army Reserve and we have the early entry set, the theater forces for the total Army—you know, we focus on BCTs, but I got to make sure the enablers are ready, and the Army relies on me to get those enablers out there early and set the theater and stay in the theater. And this is a concern.

Now, the Army has recently come up and provided, in the current budget, some help on mission command, equipment, and modernization. But, collectively, overall, I have some strong concerns.

Mr. COLE. So you didn't answer in terms of specifics, but you do just have a big overall problem, period, that would affect almost everything you have, then, right?

General TALLEY. Absolutely. Sir, for the record, I can give you the specific details, probably the top five or six, if you would like.

Mr. COLE. That would be great. I would appreciate it if you do that.

General TALLEY. Yes, sir.

Mr. COLE. Could I ask essentially the same question to you, General Grass?

General GRASS. Congressman, if I could, we are probably sitting very close to what Jeff mentioned, at 92 percent on the Army. The Air is a different issue. It is modernization of very expensive items. What NGREA, National Guard and Reserve Equipment Account, really helps us with is those critical dual-use, that we can tie them to the homeland as well as going overseas.

Looking at the current Army Guard shortfalls, engineer equipment, communications equipment, detection equipment in our chem-bio-nuclear-type units are things that we are looking at expanding and spending more money on. In some cases, upgrading some of our wheeled systems is also important.

On the Air side, in the homeland—and you have probably seen some of this in the press—putting the AESA radar, which is the radar that can help us distinguish small items, getting those on as many of our F-16s and our F-15s as we can to support NORAD.

And then there are some upgrades, as you know, on the C-130 fleet that we need to be able to continue to fly them in international airspace in 2020. Right now, we are on a path to get there, but if over the next 4 years the funding gets cut in any way, it is a problem General Welch and I have both talked about. Ultimately, General Welch would like to get us in a situation where we recapitalize our old H-model C-130s and get into the J's.

General TALLEY. Sir, I am going to sneak back in real quick for the record.

So bridge erection boats, \$73 million; common bridge transport, so engineer stuff, \$157 million; heavy cranes, \$73 million; scrapers, which are big heavy junk, \$48 million; and then palletized load systems, \$286 million. Those are the type five, sir.

Mr. COLE. Thank you very much.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. Okay. Thank you.

Would you yield to Mr. Visclosky?

Mr. DIAZ-BALART. Absolutely, Mr. Chairman.

Mr. FRELINGHUYSEN. Is that right? Did you want to go now?

Mr. VISCLOSKY. No, the gentleman can go ahead.

Mr. FRELINGHUYSEN. The gentleman from Florida, I apologize, and then Mr. Visclosky.

CYBERSECURITY

Mr. DIAZ-BALART. Thank you very much, Mr. Chairman.

And I apologize for being late, as well, gentlemen.

I want to talk a little bit about cybersecurity. And, you know, it is something that continues to grow, and it is a vital part of our national defense. But how is the Reserve—I know you are involved in it. I know you have, frankly, some avenues that are a little unique because you have access, right, to the folks in the private sector.

So how are you, and can you increase that contribution, your efforts? And is there anything that we can do to help in any way? I don't know who wants to handle that.

General GRASS. Congressman, I will take it first.

Of course, we are committed. And with the Council of Governors, which are 10 Governors that we meet with the Secretary of Defense or the Deputy Secretary three to four times a year, this is one of their critical areas that they wanted us to focus on.

The first thing we had to get hammered out from the National Guard perspective is the authorities to use the National Guard in the homeland. And you can imagine, you know, attribution and responsibility, proprietary equipment. So we have worked through all that, and I think we have a pretty good way forward right now.

The second part is we set out, as we mentioned earlier, to get as many States that could support it with the types of skills in industry, in business, also looking at what we can support from academia. We positioned those units across the States and then start using them.

What we found, and I can ask General Neal to talk about, as soon as we can stand up an Air Guard unit, it is being used today. We are actually bringing our Air Guard units online, and we are going to mobilize for 4-month periods our cyber protection teams, and they will serve in support of CYBERCOM.

In the case of the Army Guard, again, we are trying to stand them up as quick as we can.

Mr. DIAZ-BALART. Okay.

General NEAL. Congressman, that is correct. So we are part of the national cyber support in support of U.S. Cyber Command. So, starting in April, we will have a constant presence, 24/7, of a cyber contribution to the Cyber Command's defensive forces.

And I think you asked about leveraging the——

Mr. DIAZ-BALART. Uh-huh.

General NEAL [continuing]. Civilian communities. We are doing that. Really, probably no place serves better as an example than Washington, the State of Washington. As you know, there are a lot of tech companies out there, and we have quite a few of those, including executives that are multimillionaires, who are traditional Guardsmen and, you know, love contributing to the cyber defense of the Nation.

So it is pretty interesting. We are able to do that around the country. And as the cyber demands grows or the requirement from

U.S. Cyber Command continues, we would hope to stand up more cyber ops squadrons.

General TALLEY. Sir, let me get in on that for just a minute. So, in the Army Reserve, I am going to zip through pretty quick offense, defense, protective platform.

Offense: The military intelligence command of the Army Reserve provides direct support to the NSA cyber warriors.

Defense: Two-star, 335th Signal Command has all of my cyber brigades. They do the defense, and they protect the platform. I have 3,500 cyber warriors and another 3,500 that are cyber-related, and most of those work in the private sector.

This committee, which I want to thank, helped bring \$6 million to my private-public partnership program, where we have had six universities and a number of very prominent private companies, Microsoft being one of them, as a joint Army Reserve private-public cyber initiative. And we are integrating those private skills directly into our soldiers and supporting Army Cyber and Cyber Command, and this committee has helped.

Mr. DIAZ-BALART. Mr. Chairman, again, thank you. It is amazing what our Reservists and what our Reserve Force, frankly, can and do. And so, again, thank you for this opportunity.

Mr. FRELINGHUYSEN. We have some reservists on your home turf of Cuba, I believe. Right? Don't we have a unit there from Pennsylvania? Didn't want to get you too excited.

Mr. Visclosky.

DUAL-STATUS TECHNICIANS

Mr. VISCLOSKY. Thank you, Mr. Chairman.

General Grass, under the fiscal year 2016 Defense Authorization Act, some Guard dual-status technicians lose their Title 31 status and become Federal civilian employees under Title 5. Forty-one governors have written to Congress asking the repeal of this provision. Could you tell the committee more about the program and how the conversion directive by the 2016 authorization affects the readiness of your units?

General GRASS. Congressman, in the National Defense Authorization Act 2016, as you mentioned, the guidance in there is to convert our technicians, both our dual-status and non-dual-status. Dual-status being someone that is required to wear a uniform to work and they are also required to serve in the unit, but during the work they serve as a technician or a general—a GS type employee.

Mr. VISCLOSKY. And as I understand it, just because we had a conversation, and I didn't grasp this until this past week when we met, that is the majority of your civilian employees.

General GRASS. The majority are civilian employees during the week, but they are required to be in uniform, those dual-status. So with a 20 percent conversion, which is what is in the NDAA right now, we are very concerned about the readiness effects as well as the effects on our people. We want to make sure we get it right.

The Technician Act was passed in 1968. So we feel it is a good time to review the legislation and put into place that program. The governors and the adjutants general have told me they are very concerned about losing command and control of those forces and

they being available to them in times of disaster in the homeland. So we are working very closely within the Department of Defense to try to find a solution here.

What we really need, sir, is we need a delay. Right now we have to implement on 1 January of 2017, and we feel we are just not ready without having a huge impact on people and readiness. So we need a delay at least until probably fiscal year 2017, which is 1 October of 2018, but a delay of some time to do some more analysis of this Defense Authorization Act, which is law right now.

EUROPEAN REASSURANCE INITIATIVE

Mr. VISCLOSKY. Okay. If I could follow up on your earlier conversation we had about the Partnership Program. In this year's budget, the request for the European initiative is increased from \$789 million to \$3.4 billion. My understanding is we have 22 different partnership programs under the Europe Command. Do you have any sense that some of those funds will be made available to help facilitate what I think everybody acknowledges is a good program?

General GRASS. Congressman, they will be. And I will let General Kadavy let you know the things he is working for this summer using the European Re Initiative fund to help pay for some of the training associations that we have with our State partners. And the Air National Guard is doing a lot of the similar-type activity.

General KADAVY. Congressman, in fiscal year 2016 we received \$20 million of European Reassurance Initiative funding. That will support 7,776 Army National Guard soldiers doing about 160,000 man days.

So what will this buy? First, there is an exercise, Resolute Castle—

Mr. VISCLOSKY. And that is for 2016, General?

General KADAVY. This is for 2016. This summer, Congressman.

So Resolute Castle, which is an engineer exercise, the Tennessee and Alabama Army National Guard, 1,200 personnel doing engineer projects in training areas in Romania and Bulgaria, their State partners. And then in Anaconda 2016, which is the major exercise this summer, the Army National Guard will provide 2,700 enabling capabilities from air defense to engineers to logistics to transportation.

And then later this summer Saber Guardian 2016 in Romania, one of our combined arms battalion task forces from the 116th ABCT that went to the National Training Center last year will provide a battalion that will go train with the Romanians and other Eastern European allies in Romania later this summer.

And we are going to use ERI in conjunction with annual training and other overseas deployment dollars for most of these exercises to be a 29-day training period for our soldiers.

Mr. VISCLOSKY. And looking ahead to 2017, should we be having a conversation, given the anticipated increase in tempo, as to what the right size figure out of that European initiative should be?

General KADAVY. Right now, Congressman, we believe that we are targeted for \$20 million again in fiscal year 2017.

Mr. VISCLOSKY. You should be spending more money in Slovakia, you know that.

General KADAVY. General Carr loves Slovakia. He just returned back from last week.

Mr. VISCLOSKY. Thank you.

ARMY ASSOCIATED UNITS

Mr. FRELINGHUYSEN. Before I yield to Ms. Kaptur, I want to get a little more information on the associated units. Of course, our Army chief of staff did a pretty remarkable job this morning of sort of rolling out his billboard. Is this a result of the Commission on the Future of the Army? In other words, is this a step to recognize that that is one of their main recommendations? And is that why it is being set up?

I know obviously we take pride in the integration that we have seen over the last 15 years of the whole Army. What, actually, what legal basis does it have?

General KADAVY. This was one of General Milley's initial initiatives. We have been working through this with the Active Component and with the United States Army Reserve for a number of months prior to the National Commission—

Mr. FRELINGHUYSEN. I am all for it. I mean, quite honestly, a year ago everybody was at loggerheads here and all hell was breaking loose in terms of who did what and who is getting what equipment. And I think we have made some progress, and I am highly supportive of it.

But of course when I hear the term pilot, maybe that is the camel's nose under the tent. So we are starting to take a look at this full integration. And just satisfy my curiosity. Does that mean that the Guard and Reserve bring their—I won't say their worn out equipment—to the battle space or does everybody train on what the regular Army, what the regular military is doing?

General GRASS. Chairman, if we get it right—and that is why it is a pilot, we want to make sure we get it right. And you think about an Active unit coming to a Guard unit or a Guard unit going to Active, there are authorities we have got to work through, and we can get through there. But think about our young men and women now on a weekend drill where they have access to the most modern equipment.

Mr. FRELINGHUYSEN. Yeah, I am supportive of it.

Now, as we look at, let's say, our footprint in Afghanistan, 9,800, and I know the reasons, no one ever wants to mention the term 10,000, but there is a view that to put together that force the military has had to draw from a variety of different units, decouple different, should we say, aspects of existing units, I assume regular Army units as well as Guard and Reserve. Is there some degree of that in what we are initiating here?

General GRASS. One of the proposals that was rolled out today—

Mr. FRELINGHUYSEN. I am not articulating it well, but I think you know what I am talking about.

General GRASS. Yes, sir. There would be an exchange of our Active, Guard, and Reserve officers with some of the Active into our units.

Also, when the commissioners briefed us, the first thing they said upfront was there was one Army, a total Army. And this is the first step in the—

Mr. FRELINGHUYSEN. I am all for it. I understand the notion of one Army school system. I think I do. But just in terms of the equipment, I think we have been—this committee historically has been very favorable through the NGREA account and I think we will continue to be.

What is the dynamic of, let's say, Humvees and light tactical vehicles and trucks and things that—

General KADAVY. Mr. Chairman, I think I asked General Milley the exact same question. And the intent is there will have to be programming decisions made in fiscal year 2018 and beyond, which is his first program to build. His intent is like-type equipment, like-type capability, and ensuring interoperability.

So I think, yes, those things will happen. One June is initial operating capability, which is starting to coordinate, discuss, build relationships. And then not until 1 October of 2017 full operation capabilities, which is when all those programming decisions we are talking through right now, which will be in the fiscal year 2018 program. But the intent is for them to have the exact same signal equipment, exact same wheeled vehicles. They will be part of that team.

TRAINING PARTNERSHIP PROGRAM

Mr. FRELINGHUYSEN. So you are optimistic. I come from the school of having defended the Future Combat System. And I just want to make sure whatever we are embracing here—I am all for it—that this is actually going to work. I mean, good thing about General Milley's presentation today, he was so emphatic that there would be one Army, that it was sort of let known that if some people didn't like where he was going, they could exit the stage. I like that.

Major General NEAL. Mr. Chairman—

Mr. FRELINGHUYSEN. Yes, please jump in, General.

General NEAL. So we had this. It was done by Forces Command, starting with Dan Allyn, who was a great commander, and then after him General Milley, and then now General Abrams. And it was called the Training Partnership Program.

And so this isn't anything new. But what is new is that is where they aligned all the various RC units with AC. And it was basically PowerPoint deep, maybe a little bit more than that. Maybe I am not being as generous as I should.

So when we had new FORSCOM commanders came in, and General Milley was trying to work on this when he was the commander, and now he floated up to be the CSA and General Abrams has got this clearly by the handle, the thought process is we have got to make this not a slogan, not a PowerPoint, it has got to be reality. Let's take a step back, let's engage a pilot, and let's get to all the specifics that you are talking about in terms of using the same platform.

So for my case, I got the 100th, go for broke, in Hawaii that is partnering with the 25th Infantry Division. I have got the Quartermaster Airborne Company at Fort Bragg that will plug and play

with the 82nd. We will start there. So now what we are doing is rather than starting big and just aligning with everybody, we are really putting meat and potatoes on it, and it is getting strong emphasis from the top. And be reassured, it will work.

Mr. FRELINGHUYSEN. I am all for it. But we had a session this morning with the surgeon generals, and we talked about the aspects of health readiness and the inadequacy of the Department of—it is better than it used to be, electronic medical health records. I mean, there will have to be a meshing of a lot of different things in order for this to work and we are obviously encouraged by this step forward. I guess that is the best way to put it.

Do you want to get any last word in, General Grass? Then we are going to go to Ms. Kaptur.

General GRASS. Chairman, just one. I think it makes the National Guard and Reserve Equipment Account even more important for those units especially that are aligned, that we are going to continue to need that help, because there just won't be enough dollars to modernize and recapitalize.

Mr. FRELINGHUYSEN. We are with you.

Ms. Kaptur, and then Judge Carter, I think, has some additional questions.

STATE PARTNERSHIP

Ms. KAPTUR. Thank you, Mr. Chairman.

I want to associate myself with the chairman's support and Congressman Womack and others of the State Partnership Program. Ohio is partnered with Hungary and with Serbia. And my only observation is, in view of what is happening in Ukraine, I would just urge those in command to think hard about, for example, if States like Ohio that are partnered with Hungary could use that opportunity to help Ukraine, even by shipping humanitarian goods, to look at integration of some of those activities on the ground. Same is true with Serbia. Just some thoughts where we have a will but perhaps the structure that currently exists doesn't think that way. It is too cordoned off just based on the geography of each of those partnerships.

So that is just a statement. And I really love that program.

I have one request for the record, and then two questions, if I might. On the 12304b rotations, the European Reassurance Initiative calls for a large increase in the use of National Guard and Reserve soldiers and airmen to fulfill rotational requirements. But I am concerned that the code used to activate them does not provide the full range of benefits, health care, education, retirement as for other enlisted levels.

General Grass and General Talley, can you please outline and answer to the record for us the difference in benefits our soldiers and airmen receive under this code versus a combat deployment? And what is the cost difference to restore these benefits to our troops? So that will be for the record.

[The information follows:]

Rep. KAPTUR. I have one request for the record, and then two questions, if I might. On the 12304b rotations, the European Reassurance Initiative calls for a large increase in the use of the National Guard and Reserve soldiers and airmen to fulfill rotational requirement. But I am concerned that the code used to activate

them does not provide the full range of benefits, health care, education, retirement as for other enlisted levels.

General Grass and General Talley, can you please outline and answer to the record for us, the difference in benefits our soldiers and airmen receive under this code vs combat deployment? And what is the cost difference to restore these benefits to our troops? So that will be for the record.

General GRASS. Service Members (SM) mobilized under 10 USC 12304b do not receive the following six benefits that a member mobilized under 10 USC 12302 would receive. Benefit numbers 3 through 6 are currently in the legislative proposal process.

1. Benefit: Medical Care (delayed-effective-date active duty order) a.k.a Pre-Tricare (eligible 180 days prior to active duty order start date)

Description: 10 USC 1074

(a) Under joint regulations to be prescribed by the administering Secretaries, a member of a uniformed service described in paragraph (2) is entitled to medical and dental care in any facility of any uniformed service.

(d)(1) For the purposes of this chapter, a member of a reserve component of the armed forces who is issued a delayed-effective-date active-duty order, or is covered by such an order, shall be treated as being on active duty for a period of more than 30 days beginning on the later of the date that is—(A) the date of the issuance of such order; or (B) 180 days before the date on which the period of active duty is to commence under such order for that member.

(2) In this subsection, the term “delayed-effective-date active-duty order” means an order to active duty for a period of more than 30 days in support of a contingency operation under a provision of law referred to in section 101(a)(13)(B) of this title that provides for active-duty service to begin under such order on a date after the date of the issuance of the order.

Reason: SM are only eligible if supporting contingency operations as defined in 10 USC 101(a)(13)(B) for greater than 30 days. In this definition of contingency operations, 10 USC 12304b is not specifically listed.

Budget Implications: The number of personnel affected is a projection based on Fiscal Year (FY) 2016 Active Duty for Operational Support (ADOS) activations in support of contingency operations and FY 2016 12304b programming. In FY 2016, a total of 6711 RC Service members are expected to be activated for ADOS. This budget methodology makes the following assumptions:

1. The Declaration of National Emergency will continue through FY 2024 due to the emerging ISIS threat and increasing global instability. The 10 U.S.C. 12302 authority will be available to activate the RC through FY 2021 and probably through FY 2024.

2. The Services provided 12304b projections for FY 2017–2021 and expect to maintain a total steady state of nearly 3000 12304b activations to sustain the preprogrammed operations tempo from FY2017–2021.

This proposal used the 12304b activation data from FY 2014 through FY 2024 in the following table:

12304b ACTIVATION PROJECTIONS FY14–FY24

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Air Force ...	0	1182	1076	1130	1130	1130	1130	1130	1130	1130	1130
Army	962	1007	1008	1010	1010	1010	1010	1010	1010	1010	1010
Total	962	2189	2084	2140	2140	2140	2140	2140	2140	2140	2140

According to the Defense Health Agency testimony to the House Appropriations Committee, Defense (HAC–D), regarding the military health system (<http://www.health.mil/ReferenceCenter/Congressional-Testimonies/2016/03/22/Bono-DHP-Budget>) the document states that for FY17, DoD requested ~\$33.5 billion for the Defense Health Program, which serves 9.4 million uniformed and other military beneficiaries worldwide (\$33.5 billion / 9.4 million beneficiaries = \$3,564/beneficiary per year).

According to Defense Enrollment Eligibility Reporting System (DEERS), for the Air National Guard there is an average of two dependents per Service Member.

For FY17, the cost per Service Member (and family members) for Pre-Tricare Health Care would be \$5,346 for the 180 days of eligible coverage prior to mobilization. The total FY17 cost for the Air Reserve Component (Air National Guard and Air Force Reserve) for the projected 12304b activations (1130) would be \$6.04M.

2. Benefit: Transitional Health Care (up to 180 days after release from active duty)

Description: 10 USC 1145

(a) Transitional Health Care.—

(1) For the time period described in paragraph (4), a member of the armed forces who is separated from active duty as described in paragraph (2) (and the dependents of the member) shall be entitled to receive—

(A) except as provided in paragraph (3), medical and dental care under section 1076 of this title in the same manner as a dependent described in subsection (a)(2) of such section; and

(B) health benefits contracted under the authority of section 1079(a) of this title and subject to the same rates and conditions as apply to persons covered under that section.

(2) This subsection applies to the following members of the armed forces:

(A) A member who is involuntarily separated from active duty.

(B) *A member of a reserve component who is separated from active duty to which called or ordered in support of a contingency operation if the active duty is active duty for a period of more than 30 days.*

(4) Except as provided in paragraph (7), transitional health care for a member under subsection (a) shall be available for 180 days beginning on the date on which the member is separated from active duty. For purposes of the preceding sentence, in the case of a member on active duty as described in subparagraph (B), (C), or (D) of paragraph (2) who, without a break in service, is extended on active duty for any reason, the 180-day period shall begin on the date on which the member is separated from such extended active duty.

Reason: SM are only eligible if supporting contingency operations as defined in 10 USC 101(a)(13)(B) for greater than 30 days. In this definition of contingency operations, 10 USC 12304b is not specifically listed.

Budget Implications: The number of personnel affected is a projection based on Fiscal Year (FY) 2016 Active Duty for Operational Support (ADOS) activations in support of contingency operations and FY 2016 12304b programming. In FY 2016, a total of 6711 RC Service members are expected to be activated for ADOS. This budget methodology makes the following assumptions:

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According to Defense Enrollment Eligibility Reporting System (DEERS), for the Air National Guard there is an average of two dependents per Service Member.

For FY17, the cost per Service Member (and family members) for Transitional Health Care would be \$5,346 for the 180 days of eligible coverage after returning from mobilization. The total FY17 cost for the Air Reserve Component (Air National Guard and Air Force Reserve) for the projected 12304b activations (1130) would be \$6.04M.

3. Benefit: Qualifying Service Toward Reduced Retirement Age

Description: 10 USC 12731(f)

(a) Except as provided in subsection (c), a person is entitled, upon application, to retired pay computed under section 12739 of this title, if the person—

(1) has attained the eligibility age applicable under subsection (f) to that person;

(2) has performed at least 20 years of service computed under section 12732 of this title;

(3) in the case of a person who completed the service requirements of paragraph (2) before April 25, 2005, performed the last six years of qualifying service while a member of any category named in *section 12732(a)(1) of this title*, but not while a member of a regular component, the Fleet Reserve, or the Fleet Marine Corps Reserve, except that in the case of a person who completed the service requirements of paragraph (2) before October 5, 1994, the number of years of such qualifying service under this paragraph shall be eight; and

(4) is not entitled, under any other provision of law, to retired pay from an armed force or retainer pay as a member of the Fleet Reserve or the Fleet Marine Corps Reserve.

(f)

(1) Subject to paragraph (2), the eligibility age for purposes of subsection (a)(1) is 60 years of age.

(2)

(A) In the case of a person who as a member of the Ready Reserve serves on active duty or performs active service described in subparagraph (B) after January 28, 2008, the eligibility age for purposes of subsection (a)(1) shall be reduced, subject to subparagraph (C), below 60 years of age by three months for each aggregate of 90 days on which such person serves on such active duty or performs such active service in any fiscal year after January 28, 2008, or in any two consecutive fiscal years after September 30, 2014. A day of duty may be included in only one aggregate of 90 days for purposes of this subparagraph.

(B) (i) *Service on active duty described in this subparagraph is service on active duty pursuant to a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) or under section 12301(d) of this title. Such service does not include service on active duty pursuant to a call or order to active duty under section 12310 of this title.*

Reason: SM are only eligible if supporting contingency operations as defined in 10 USC 101 (a)(13)(B) for greater than 30 days. In this definition of contingency operations, 10 USC 12304b is not specifically listed.

Budget Implications (per ULB submission): The number of personnel affected is a projection based on Fiscal Year (FY) 2016 Active Duty for Operational Support (ADOS) activations in support of contingency operations and FY 2016 12304b) programming. In FY 2016, a total of 6711 RC Service members are expected to be activated for ADOS. This budget methodology makes the following assumptions:

1. The Declaration of National Emergency will continue through FY 2024 due to the emerging ISIS threat and increasing global instability. The 10 U.S.C. 12302 authority will be available to activate the RC through FY 2021 and probably through FY 2024.

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Army	962	1007	1008	1010	1010	1010	1010	1010	1010	1010	1010
Total	962	2189	2084	2140	2140	2140	2140	2140	2140	2140	2140

The DoD Office of the Actuary used a 10-year look from FY 2014 to FY 2024 to compute an estimated cost. The cost for the Services is the Retired Pay Accrual contribution paid to the Military Retirement Trust Fund. The actuaries are unsure if this proposal will have a cost, but felt that the estimated costs in the table below should be included in good faith. For example, for budgeting purposes, the early retirement eligibility authorization effectively reduces the budgeted RC retirement age from 60 to 58. Extending early retirement eligibility to 12304b active duty may not

move the needle enough to effectively reduce the estimated early retirement age from 58 years to 57 years and 11 months.

The DoD Office of the Actuary states “if [the ULB is] enacted, actual results/costs implemented by the DoD Board of Actuaries may differ from those shown in this estimate. They may decide to not reflect costs until actual experience emerges, or decide the impact is below the valuation’s rounding thresholds.” For example, the actuaries estimate the Retired Pay Accrual contribution of \$5.5 million for the Army in FY 2021 for the range of 1,000–10,000 man-years worth of 12304b activations.

The 5 years of cost estimated required for the ULB submission (FY 2017–FY 2021) are included in the table below.

The attached actuary excel spreadsheet displays the assumptions and the costs through FY24. Actuary costs assume 14 percent of new entrants to the part-time drilling reserves become eligible for a reserve non-disability retirement. The resources reflected in the table below are funded within the FY 2017 President’s Budget.

RESOURCE REQUIREMENTS (\$MILLIONS)									
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Appropriation From	Budget Activity	Dash-1 Line Item	Program Element
Air Force	1.15	1.15	1.20	1.25	1.25	Military Personnel, Air Force	01	010	
Army	5.00	5.10	5.20	5.40	5.50	Military Personnel, Army	01/02	05/06	
Navy does not intend to use this authority, which would have been funded in the following account: Military Personnel, Navy. Marine Corps does not intend to use this authority, which would have been funded in the following account: Military Personnel, Marine Corps.									
Total	6.15	6.25	6.40	6.65	6.75				

NUMBER OF PERSONNEL AFFECTED					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Air Force	565	565	565	565	565
Army	1010	1010	1010	1010	1010
Total	1575	1575	1575	1575	1575

4. Benefit: Post-9/11 GI Bill.
Description: 38 USC, Ch 33 (sections 3301, 3312 amended).
Section 3301:
In this chapter:
(1) The term “active duty” has the meanings as follows (subject to the limitations specified in sections 3002(6) and 3311(b)):
 (A) In the case of members of the regular components of the Armed Forces, the meaning given such term in section 101(21)(A).
 (B) *In the case of members of the reserve components of the Armed Forces, service on active duty under a call or order to active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10 or section 712 of title 14.*
 (C) In the case of a member of the Army National Guard of the United States or Air National Guard of the United States, in addition to service described in subparagraph (B), full-time service—
 (i) in the National Guard of a State for the purpose of organizing, administering, recruiting, instructing, or training the National Guard; or

(ii) in the National Guard under section 502(f) of title 32 when authorized by the President or the Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by Federal funds.

Section 3312:

(a) In General.—

Subject to section 3695 and except as provided in subsections (b) and (c), an individual entitled to educational assistance under this chapter is entitled to a number of months of educational assistance under section 3313 equal to 36 months.

(b) Continuing Receipt.—The receipt of educational assistance under section 3313 by an individual entitled to educational assistance under this chapter is subject to the provisions of section 3321(b)(2).

(c) Discontinuation of Education for Active Duty.—

(1) In general.—Any payment of educational assistance described in paragraph (2) shall not—

(A) be charged against any entitlement to educational assistance of the individual concerned under this chapter; or

(B) be counted against the aggregate period for which section 3695 limits the individual's receipt of educational assistance under this chapter.

(2) Description of payment of educational assistance.—Subject to paragraph (3), the payment of educational assistance described in this paragraph is the payment of such assistance to an individual for pursuit of a course or courses under this chapter if the Secretary finds that the individual—

(A)

(i) in the case of an individual not serving on active duty, had to discontinue such course pursuit as a result of being called or ordered to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10; or

(ii) in the case of an individual serving on active duty, had to discontinue such course pursuit as a result of being ordered to a new duty location or assignment or to perform an increased amount of work; and

(B) failed to receive credit or lost training time toward completion of the individual's approved education, professional, or vocational objective as a result of having to discontinue, as described in subparagraph (A), the individual's course pursuit.

(3) Period for which payment not charged.—The period for which, by reason of this subsection, educational assistance is not charged against entitlement or counted toward the applicable aggregate period under section 3695 of this title shall not exceed the portion of the period of enrollment in the course or courses from which the individual failed to receive credit or with respect to which the individual lost training time, as determined under paragraph (2)(B).

Reason: 38 USC 3301 does not list 10 USC 12304b as an authorized order to service in the definition of "active duty". Also 38 USC 3312(c)(2)(A)(ii) does not list 10 USC 12304b as an authorized order to service that would cause the member to have to discontinue education in which the service member is using educational assistance.

Budget Implications (per ULB submission): The Department of Defense (DoD) has no responsibility for funding of the basic benefits of the Post-9/11 GI Bill. Costs for the Post-9/11 GI Bill are borne by the Department of Veterans Affairs, under the provisions of section 3324(b) of title 38, which states, "Payments for entitlement to educational assistance earned under this chapter shall be made from funds appropriated to, or otherwise made available to, the Department for the payment of readjustment benefits." While DoD has estimates regarding the number of personnel affected and cost to carry out this proposal, there is no budget implication to DoD.

5. Benefit: Extension of Eligibility for Vocational Rehabilitation Benefits.

Description: 38 USC 3103(f).

(f) In any case in which the Secretary has determined that a veteran was prevented from participating in a vocational rehabilitation program under this chapter within the period of eligibility otherwise prescribed in this section as a result of being ordered to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304, of title 10, such period of eligibility shall not run for the period of such active duty service plus four months.

Reason: 38 USC 3103(f) does not list 10 USC 12304b as an authorized order to service for the purpose of extending the eligibility for Vocational Rehabilitation benefits.

Budget Implications (per ULB submission): The VA finds the Vocational Rehabilitation benefit at no cost to DoD. This benefit is elective. Veterans who have elected

to use this benefit should be expected to use the benefit whether their period of eligibility is extended or not.

6. Benefit: Voluntary Separation Pay.

Description: 10 USC 1175a.

(j) Repayment for Members Who Return to Active Duty.—

(1) Except as provided in paragraphs (2) and (3), a member of the armed forces who, after having received all or part of voluntary separation pay under this section, returns to active duty shall have deducted from each payment of basic pay, in such schedule of monthly installments as the Secretary concerned shall specify, until the total amount deducted from such basic pay equals the total amount of voluntary separation pay received.

(2) *Members who are involuntarily recalled to active duty or full-time National Guard duty in accordance with section 12301(a), 12301(b), 12301(g), 12302, 12303, or 12304 of this title or section 502(f)(1) of title 32 shall not be subject to this subsection.*

(3) Members who are recalled or perform active duty or full-time National Guard duty in accordance with section 101(d)(1), 101(d)(2), 101(d)(5), 12301(d) (insofar as the period served is less than 180 consecutive days with the consent of the member), 12319, or 12503 of this title, or section 114, 115, or 502(f)(2) of title 32 (insofar as the period served is less than 180 consecutive days with consent of the member), shall not be subject to this subsection.

(4) The Secretary of Defense may waive, in whole or in part, repayment required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States. The authority in this paragraph may be delegated only to the Undersecretary of Defense for Personnel and Readiness and the Principal Deputy Undersecretary of Defense for Personnel and Readiness.

Reason: The involuntary mobilization authorities under section 12304a and 12304b were added to title 10 by sections 515 and 516 of the National Defense Authorization Act for Fiscal Year 2012 (NDAA for FY12). The NDAA for FY12 did not make a conforming amendment to the list of involuntary mobilization authorities in section 1175a to include 12304a and 12304b.

Budget Implications (per ULB submission): The Services will not budget for the addition of 10 U.S.C. 12304a or 10 U.S.C. 12304b to 10 U.S.C. 1175a. If 12304a and 12304b are added to the list of involuntary authorities, a potential future recoupment may not be realized. However, such a recoupment is not part of budget planning and therefore, this proposal does not have budget implications. Since most of the personnel who received VSP are in the IRR, the actual number involuntarily mobilized under this authority, and therefore who will be affected by this proposal, is a much smaller subset that DOD cannot currently identify.

GENERAL TALLEY. The 12304(b) authority involuntarily mobilizes Reserve Component (RC) Soldiers to active duty to augment Active Component forces in the execution of preplanned missions in support of Combatant Commands. Section 12304(b) excludes many of the benefits afforded to Soldiers under other mobilization authorities, such as 12301a, 12302, and 12304. The following list highlights some of the disparities:

(1) Early Eligibility for Health Care. Title 10 USC 1074 (d)—Unlike RC Soldiers mobilized under 12301(a), 12302, and 12304, those mobilized under 12304(b) are not authorized to receive early eligibility for health care if the order does not specify support to a contingency operation.

(2) Post 9/11 GI Bill. Title 38 USC 3301—Unlike RC Soldiers mobilized under 12301a, 12302, and 12304, those mobilized under 12304b are ineligible for the Post 9/11 GI Bill.

(3) Federal Civilian Differential Pay. Title 5 USC 5538—Unlike RC federal civilians mobilized under 12301(a), 12302, and 12304, those mobilized under 12304(b) are not authorized to receive Federal Civilian Differential pay.

(4) TRICARE Assistance Management Program (TAMP) Transitional Health Care. Title 10 USC 1145—Unlike RC Soldiers mobilized under 12301(a), 12302, and 12304, those mobilized under 12304(b) are not authorized to receive 180 days of transitional health care.

(5) Voluntary Separation Recoupment Protection. Title 10 USC 1175a—Unlike RC Soldiers mobilized for at least six months under 12301(a), (b), (g); 12302; 12303; 12304, or 32 U.S.C. 502(f)(1), those mobilized under 12304(b) are subject to recoupment of a pro-rated portion of their Voluntary Separation Pay.

TOTAL FORCE INTEGRATION

Ms. KAPTUR. Then, in terms of total force integration, I wanted to ask, outside the district I represent is the 180th Fighter Wing, and for the first time in its history has an Active-Duty command officer. By all accounts it is going very well. But I want to ensure that our National Guardsmen are getting the opportunities they deserve. And so I am wondering if you could tell us how many Active-Duty commands are filled by National Guard officers and what is the timetable for integrating more of these positions across both the Army and the Air Force.

INNOVATIVE READINESS TRAINING

And then my second question deals with innovative readiness training. Both the National Guard and Reserves have many assets that could be put to use in our local communities on local projects and at the same time provide valuable training. Youth Challenge comes to mind in particular. But it seems to take an awful long time to get any kind of approval from the Secretary of Defense.

What can be done to delegate the approval for these projects to the State level or to speed up the timeline at the national level to ensure that the communities most in need and the missions most beneficial to unit training are approved in a timely manner?

So, first, on the total force integration, the integration of the Guard in the Active Duty, and then, secondly, innovative readiness training.

General GRASS. Congresswoman, if I could, in January I was visiting Guam for a ribbon-cutting ceremony on a new facility. And while I was there, I ran into the 180th Wing. The squadron was there supporting PACOM and Air Forces Pacific, an outstanding unit commanded by an Active-Duty colonel who will be coming out of command here shortly.

General Neal can give you a little more detail of our plan way ahead because General Welsh wants to go ahead and offer an Active command to a Guard officer now.

General NEAL. Congresswoman, currently there are no Air Guard commanders of an Active-Duty wing. There will be an announcement imminently by General Welsh of an Air National Guard colonel who was selected to command an Active-Duty wing. But I don't want to get ahead of the chief of staff of the Air Force. So it is imminent.

Mr. FRELINGHUYSEN. You are on television. So go right ahead.

General NEAL. You probably heard they already announced—well, I think General Welsh said the same thing earlier in the month. Just that the Air Force Reserve is going to command an Active-Duty wing also.

As far as your IRT, innovation readiness training, what we are doing is two things. One, inadvertently, when we did the DODI, we reported on it, we left out a line that should have said basically that it applies to the Title 32—to the National Guard. We are going back to correct that. We anticipate in the next 4 to 6 weeks we will have that corrected. Therefore, unfunded, when you don't need funds—and I know General Bartman and I have talked about that

extensively—when you don't need funding for those projects, it will be a very quick coordination process.

The IRT training that takes right now, what, could take 2 years, because of a lot of the environmental stuff, we are working on a process that will cut that down to 90 days. So, hopefully, with any amount of luck, within the next 60 days, you will have a process on both funded and unfunded projects that will be very quick and you no longer have to wait a year or 2 for all this. So that is what we are trying to do.

Ms. KAPTUR. That would be a big help.

General TALLEY. So, ma'am, there was a lot packed in your questions. And so thank you for that.

But, Congresswoman, the first thing I would say, there are lots of different mobilization authorities. And so the bottom line upfront is, hey, when a soldier, a citizen soldier gets mobilized, shouldn't they have the same benefits? You shouldn't find out after the fact that you didn't quite get the same deal. So I am going to hand this to you, but I will come back for the record. This is a very good summary of everything you just asked on one slide for you. And we have to fix this.

Ms. KAPTUR. Thank you.

General TALLEY. You are welcome, ma'am.

And switching over, break to the second question, the Army Reserve does innovative training all the time. We don't have a problem getting it approved and getting the authorities. We do MedRed missions all over the world since we own most of the doctors and nurses. We just did a big medical support in southern Missouri. I think I got asked at the Senate last week about what we were doing. We just did something with the Indian reservation, Native American reservation in Montana.

I can give you for the record, we will send you a list of all the examples we are doing. We have no problem getting authority and approval for that. It is just good old title training.

[The information follows:]

Congresswoman KAPTUR. Thank you for your interest in Innovative Readiness Training missions. Below is a list of projects scheduled for the USAR for FY15–FY17.

FY15 IRT Projects Overview

(AC, AR) West Black Belt Medical—ARMEDCOM provided medical care for an underserved population of 30,000 in the Selma, Camden, and Demopolis, Alabama areas.

(AC, AR) Medical—The project provided METL training for an ARMEDCOM unit while delivering medical care for an underserved population of 40,000 in the Sikeston, Kennett, Dexter, and Malden areas of Missouri. The United States Navy Reserve participated as a supporting service.

(AR) Fort Belknap—ARMEDCOM provided medical care to a Native American population of 5,200 in the Fort Belknap, Montana area.

(AC, AR) Fort Thompson—ARMEDCOM provided medical care to a Native American population of 6,500 in the Fort Thompson, South Dakota area.

(AC, AR) Meigs County Medical—ARMEDCOM provided medical care to an underserved population of 25,000 in the Athens area of Pomeroy and Meigs County in Ohio. The United States Marine Corps Reserve participated as a supporting service.

(AR) Northern Cheyenne—807th Medical Command served a Native American population of 5,000 in the Lame Deer, Montana area.

(AR) Chenango County—3rd Medical Command provided medical care to an underserved population of 280,000 in the Binghamton area of New York. The United States Navy Reserve participated as a supporting service.

(AR) Turtle Mountain—807th Medical Command provided medical care for a population of 8,600 in the Belcourt and Dunseith, North Dakota area.

(AC, AR) Fort Washakie—807th Medical Command provided medical care to a Native American population of 3,500 in the Lander and Riverton area of Wyoming.

(AR) Old Harbor Engineer—The project provided horizontal METL training opportunity for the 9th MSC to improve environmental conditions by extending a road for a distance of 5,720 feet which is a little more than one mile. This prepared the area for a fish plant by bringing it up to FAA safety standards.

FY16 IRT Projects Overview

(AC) Arctic Care Medical IRT—I Corps will provide veterinary services for an underserved population of 790 in Kodiak Island Borough, Alaska. Kodiak Island Borough, Alaska is designated as a Health Services Professional Shortage Area (HPSA).

(AR) Chenango County Medical IRT—3rd Medical Command Deployment Support (MCDS) will provide medical care for an underserved population of 102,000 in Chenango County, New York.

(AR) Fort Belknap Medical IRT—ARMEDCOM will provide medical services to a Native American population of 5,200 in the Fort Belknap, Montana area.

(AR, AC) Fort Peck Medical IRT—ARMEDCOM will provide medical services to a Native American population of 4,200 in the Billings, MT area.

(AR) Fort Thompson Medical IRT—ARMEDCOM will provide medical services to a Native American population of 6,500 in the Fort Thompson, South Dakota area.

(AR, AC) Greyhound Medical IRT—3rd Medical Command Deployment Support (MCDS) will support an underserved population of 26,000 in the West Memphis, Arkansas area.

(AR) Lone Star Medical IRT—3rd Medical Command Deployment Support (MCDS) is leading a medical project for a population of 1.6 million in the Brownsville, Hebbronville, Laredo, Mission, Pharr, Raymondville and Rio Grande City, TX area.

(AR) Old Harbor Engineer IRT—9th Mission Support Command (MSC) is supporting a horizontal METL training opportunity to improve environmental conditions by extending a road for a distance of 5,720 feet which is a little more than one mile. This will prepare the area for a fish plant and bring it up to FAA safety standards.

(AR) Sequoia Riverlands Engineer IRT—416th TEC is leading a vertical METL training opportunity to construct an outdoor, stand-alone sanitary restroom building for public use in the Kaweah Oaks Preserve, Exeter, and Ca area.

(AR) South Mississippi Medical IRT—3rd Medical Command Deployment Support (MCDS) will provide medical care for an underserved population of 29,000 in the McComb and Natchez, Mississippi area.

(AR, AC) Tropic Care Big Island Medical IRT Project—9th Mission Support Command (MSC) will provide medical care for an underserved population of 32,000 in the Kau and Puna District of Hawaii.

FY17 IRT Projects Overview (The projects listed below are tentative)

(AR) Tropic Care—Kauai Medical IRT—3rd Medical Command Deployment Support (MCDS) is planning to lead a medical project in Lihue, Hawaii. The following expertise/services are being requested by the community: General Dentistry, Oral Surgery, Hygienist, Family Practice, Internists, Physician Assistant's, Nurse Practitioner, Physical Therapist, Nutritionists, Behavior health, Optometry, Eye glasses, Veterinary, and CPR certification.

(AR) Round Valley Indian Health Center Medical IRT—ARMEDCOM is planning to lead a medical project in Covelo, California. The following expertise/services are being requested by the community: Dentist, Oral Surgery, Family Practice, Ob-Gyn.

(AR) Fort Belknap Medical IRT—ARMEDCOM is planning to lead a medical project in Harlem, Montana. The following expertise's/services are being requested by the community: Dentist, Hygienist, Family Practice, Internists, Rheumatology, Physical Therapist, Nutritionists, Behavior Health, Optometry, Eye glasses, Veterinary, nary.

(AR) Fort Peck Medical IRT—ARMEDCOM is planning to lead a medical project in Poplar, MT. The following expertise/services are being requested by the community: Dental Hygienist, Ob-Gyn (Well-woman exams), Screenings (Physicals).

(AR) Rosebud EMS Medical IRT—ARMEDCOM is planning to lead a medical project in Rosebud, South Dakota. The following expertise/services are being requested by the community: Dentist, Hygienist, Endocrine, Family Practice, Pediatrician, Nurse Practitioner's, Internists, Rheumatology, Physical Therapist, Nutritionists, Behavior Health, Optometry, Eye glasses, Veterinary, Dermatology.

(AR) Fort Thompson Medical IRT—ARMEDCOM is planning to lead a medical project in Ft. Thompson, South Dakota. The following expertise/services are being requested by the community: Dentistry, Hygienist, Family practice, Pediatrician, In-

ternists, RN, Pharmacy, Rheumatology, Ob-Gyn, Physician Assistant's, Nurse Practitioner's, Physical Therapists, Nutritionists, Behavior health, Optometry, Eye glasses, Veterinary, CPR certification, Drug demand reduction, Medics.

(AR) Swain County Health Medical IRT—3rd Medical Command Deployment Support (MCDS) is planning to lead a medical Project in Bryson City, North Carolina. The following expertise/services are being requested by the community: General dentistry, Family Practice, Behavior health, Optometry, Eye glasses, Veterinary.

(AR) Saint Mary's Health Wagon Medical IRT—3rd Medical Command Deployment Support (MCDS) is planning to lead a medical Project in Wise, Virginia. The following expertise/services are being requested by the community: Dentistry, Oral surgery, Periodontist, Hygienist, Family Practice, Colonoscopy, Colposcopy, Rheumatology, Ob-Gyn, Physical Therapist, Nutritionists, Behavior Health, Optometry, Eye glasses, Veterinary.

(AR) Lonestar Medical IRT—3rd Medical Command Deployment Support (MCDS) is planning to lead a medical Project in Harlington, Texas. The following expertise/services are being requested by the community: Dentistry, Hygienist, Family practice, Physician Assistants, Nurse Practitioners, Nutritionists, Behavior health, Optometry and CPR certification.

(AR) Ozark Highlands Medical IRT—3rd Medical Command Deployment Support (MCDS) is planning to lead a medical Project in the following communities: Mountain Home, Marshall, Norfolk, and Yellville, Arkansas. The following expertise/services are being requested by the community: Dentistry, Medical, Optometry, Veterinary, and Behavioral Health.

(AR) Blackfeet Nation Park Engineer IRT—416th Theater Engineer Command (TEC) is planning to lead an engineer project that will consist of vertical/horizontal Construction, grading, and improving road access in Browning, Montana. The following expertise/services are being requested by the community: Project Management, Truck drivers, and Heavy Equipment Operators.

(AR) YMCA of the Rockies Engineer IRT—416th Theater Engineer Command (TEC) is planning to lead an engineer project that will consist of Camp Expansion; culvert, utilities, trail, cabin deck replacements, shade shelters, surveying, bath-house remodel, parking lot lighting, road improvements and construction storage facilities in Granby, Colorado. The following expertise/services are being requested by the community: Electricians, Plumbers, Carpenters, Heavy Equipment operators, Project mgmt., Truck drivers and Maintenance facility.

(AR) City of Montrose Engineer IRT—416th Theater Engineer Command (TEC) is planning to lead an engineer project that will consist of Mass grading of a regional park that is 40k cubic yards in Montrose, Montana. The following expertise/services are being requested by the community: Project management, Truck drivers and Heavy Equipment operators.

(AR) Texas A&M—Construction Engineer IRT—416th Theater Engineer Command (TEC) is planning to lead an engineer project that will consist of restoring infrastructures to economically distressed communities; roads, drainage, sewage electricity/internet connectivity in San Antonio, Texas. The following expertise/services are being requested by the community: Civil Engineers, Project management, Water purification and Electricians.

Ms. KAPTUR. All right.

You know, Mr. Chairman, I just wanted to say something. I am glad this is being broadcast. This is an example, this committee, of Congress working well, but it doesn't get enough publicity. The publicity that goes out there is so negative and very destructive to our country, in my opinion. I want to thank you and I want to thank the ranking member for bringing us together as a committee and conducting the business of the country. I am proud to serve on this committee, and I am proud of each of you gentlemen and the forces you lead.

Mr. FRELINGHUYSEN. Well, we have some excellent substantive witnesses. So we appreciate their input and contribution.

Judge Carter.

ADEQUATE TRAINING FUNDING

Mr. CARTER. This may be just me speculating, but on this multi-component pilot program, getting back to that one more time, it

takes—it has been told me, at least—it takes 90 to 100 days to stand up a unit, training days to stand up a unit to be deployed, something like that. This would probably increase more training days on top of those training days that in many instances you are being called upon to do.

Do we have the funds to do the additional training that this might call upon us to do? And what does it do to the citizen soldier concept of the guy back home or gal back home that has got a job? As we shift them to that, is that going to put more of a burden upon their employment situation back home or is it worked out and not a problem? I just don't know the answer.

General GRASS. Congressman, if I could start. As I do my townhalls, I ask the question: Are we using the Guard too much? Just got a report out from a survey that was done by our company grades Army and Air. Ninety-two percent said it is either about right or they would like to deploy more. The younger ones that haven't deployed are looking for a deployment.

So from that perspective there are men and women in the Guard, and I am sure Jeff would tell you in the Reserve as well, that want to deploy. The associations will probably give us more opportunities. But we cannot break our model of 39 days a year as far as the baseline. And I hear that from the townhalls. The men and women that serve are concerned if we say the number is greater than what it has been in the past, a weekend a month, 2 weeks in the summer, that their employers and their families would get concerned if we made that statement.

But what we find is there is probably well over 80 percent of the Guard that is doing more than that time right now. But they know that they are working for a National Training Center rotation or they are going down to an external combat training center rotation for the following. They know they have to hit concern gates in training. And they are willing to do that all day long.

We have a unit that just is getting ready to deploy with the 101st Airborne through a training association. They know they had to put in extra days to get ready to go. So as long as they know their mission, they know that this is going to make them more ready, and the family and employers seem to be very comfortable with that.

BORDER SECURITY

Mr. CARTER. Because we don't want to lose these good people. We want to keep them.

And this is a completely off-the-wall question, but this morning in Belgium when this disaster hit, they announced that the Army immediately sealed the borders. I guess the Guard's job would be to seal the borders if we had to do that. Just the question: Is that right? And is there some plan if our government said major terrorist attack, either seal the State borders or seal national borders, the Guard would go do that?

General GRASS. Congressman, we could. Again, that would be up to each State individually. But there was an operation called Winter Freeze right after 9/11, shortly after 9/11, and we put Guardsmen in a Federal status in support of Customs and Border Protection at the time, and they were in a Federal status, though, when

they went to the border. But in most cases, as we went into the airports after 9/11, those were Federal dollars paying for men and women who worked for the governor and the adjutant general.

Mr. CARTER. Okay. That is what I assumed.

Mr. FRELINGHUYSEN. Thank you, Judge Carter.

The other bookend of the Army Caucus, the gentleman from Maryland.

Mr. RUPPERSBERGER. Bookends? I have never been called a book-end before. Is that a good one or a bad one?

Mr. FRELINGHUYSEN. You are a giant.

CYBER FORCE

Mr. RUPPERSBERGER. A giant. Okay.

Hey, brother. How are you doing? Good. Okay.

All right. Thank you all for being here, what you do, and we really appreciate all that your troops do for us both in the wars that we are dealing with and also at home. And we have a lot of respect.

Since 1993, I am going to get a little parochial here, but the Maryland National Guard and the Republic of Estonia have experienced a close and fruitful relationship through the National Guard State Partnership Program. And as a result of this program, the Maryland National Guard has provided many years of support to assist in the development of Estonia's cyber defense program, and Estonia is now recognized as a leader of cyber defense within NATO.

I had to go to Russia in November, and I stopped at Estonia and Latvia. And so I was able to see and hear really what Estonia would tell us about how satisfied they were about the National Guard and the cyber programs.

My question would be—and I am not sure who, General Grass or Neal or whatever, Talley—is how can the National Guard capitalize on the experience contained within the Maryland National Guard and the Air National Guard as a whole to assist in the development and training pipeline for tomorrow's cyber warriors?

General GRASS. Congressman, let me first say that Maryland, that partnership has led the way to a point now where I believe they actually have two universities in Estonia, one in Maryland, that have partnered on a cyber master's program. It started from the partnership, but it is handled separately within the two governments.

I will ask General Neal to talk about the great work of the 175th, what they are doing there in cyber, because it is one of our leading Air Guard units.

Mr. RUPPERSBERGER. Where are you from, General Neal?

General NEAL. Congressman, you know I am a proud Maryland Guardsman. So thank you.

Mr. RUPPERSBERGER. Okay.

General NEAL. And of course it is good to see you again, sir.

So we do have a pretty robust cyber force, cyber squadrons, cyber groups in Maryland, and they have hooked up with Estonia. And what they are doing now is they are doing joint cyber training and joint cyber exercises. So it is very robust right now, because, as you know, over there in Estonia they have the NATO Cyber Center of

Excellence. And they are actually talking about maybe setting up a cyber center of excellence over here in Maryland.

So that is how they are capturing it. And we hope to export that to other States, obviously under the auspices of General Grass and the entire SPP program. But it is a great program to show what can be done.

MARYLAND GUARD—CYBER

Mr. RUPPERSBERGER. Why do you think that the Maryland National Guard has done so well in developing this relationship, number one? And secondly, in the expertise?

General NEAL. Well, sir, I don't think it is just cyber. You know, when I was up at the 135th, we would take doctors over there, we would take civil engineers over there and do projects. So it is a pretty robust SPP, State Partnership Program. And we have done a lot of countries and a lot of States. And I think the growing trust, and everybody recognized suddenly that they looked up one day and said: Wow, you have got a log of cyber stuff in Estonia, we have a lot of cyber stuff in Maryland, it just makes natural sense. And the trust was already built.

Mr. RUPPERSBERGER. Okay. That is it. Thank you.

Mr. FRELINGHUYSEN. Mr. Womack.

Thank you, Mr. Ruppertsberger.

ISR AND THE RESERVE COMPONENT

Mr. WOMACK. Thank you again, Mr. Chairman.

In the brief time that I have remaining, I just want to offer my sincere congratulations and admiration to General Grass for his longstanding service to the National Guard of this country, and certainly as the Chief of the National Guard Bureau and a member of the Joint Chiefs.

And, General Grass, and to your wife Pat, thank you so much for your service to our country. It has been a real honor to be around you here during these hearings. And I want to thank you.

And I would be remiss if I didn't acknowledge Jeff Talley too. What a tremendous representative of the Army Reserve you have been. And I wish you very well in your future. And it has been a great honor serving with you here as well too. So thank you so much.

For these other two guys, they are probably going to hang around a little longer, and they will get our wrath a little bit more.

Couple of real quick questions, Mr. Chairman, if you don't mind.

First of all, ISR and the Reserve Component, our committee has heard so much from our Army and Air Force guys about the need for more ISR. Just can't get enough ISR. So I throw that out on the table for you—and, General Neal, you may want to take the lead on this—about the capacity for our Reserve Component forces. And I have some in my district, as a matter of disclosure, that are training toward that mission set. So explain to me where we are and what more we can do.

General NEAL. Well, for ISR, of course, that is a broad spectrum, Congressman. But when we will talk about remotely piloted aircraft, I think everybody kind of understands that is basic ISR. But right now the Air Force has agreed to do 60 lines, 60 combat lines

of flying around the world in support of the combatant commanders. And out of those 60 lines, the Air National Guard is doing 14. As you know, we are doing one out of Fort Smith. And that is a surge. And to do anything in surge or do anything of that magnitude it takes people, it takes equipment, and it takes training. And it doesn't just take training day-to-day, it takes the initial pipeline training.

We have the ability to expand beyond that. In other words, we have the main documents built. We have in theory the ability to go beyond that at our soon-to-be 12 RPA fully qualified or fully established RPA units. But to do that we need a bigger pipeline for the Active Duty. So Active Duty has to grow and get their formal training schools or initial training schools better. We have to grow in manpower to fill out all the organizations. And then, quite frankly, we need the money to be able to pay everybody.

PILOT AND AIRLINE NEEDS

Mr. WOMACK. The last question I have, also kind of relative to the Air Force, very relative to the Air Force, is my understanding is the airlines have an enormous need for new pilots. That has to have an impact on big Air Force. And so help me understand the cascading effect of what the airlines are doing and how it affects our men in blue suits.

General NEAL. Congressman, that is a concern for the Air Force and a concern for us. I think the concerns are slightly different. The Air Force either has a pilot or doesn't have a pilot. So it does not have an airline pilot, it has a military pilot. We have military pilots and we have airline pilots.

So for them, their concern is retaining them. And if you follow the papers or you look at the pay scales, they are pretty high right now in the airlines. I mean, airlines are making billions of dollars right now. So their concern is retaining pilots.

We still get some people coming out of the Air Force. Our biggest concern is, at least mine, and I may be optimistic, is not retaining pilots, it is retaining the full-time pilots. We just don't pay enough to retain. Like technicians. We talked about technicians earlier, Congressman, and they don't make enough compared to the airlines. So my problem is full-time pilots.

We are working with the airlines, the Air Force is working with the airlines to see if we can have some kind of program that allows them to maybe do a short term of full-time stuff and the rest of the year maybe in the airlines. So the airlines are very open to working with us in the military, but I am optimistic that we will always be able to recruit and retain traditional drill status Guardsman pilots in the Air Guard. But the full time is a challenge.

Mr. WOMACK. One more 30-second question, if you don't mind, Mr. Chairman.

On that Title 5 swap we were talking about a minute ago with my friend from Indiana, in the workup to the NDAA, General Grass, were you guys consulted on the 20 percent moving over to—the flip that took place? Because it seems to me, and memory is little bit fuzzy here, that that kind of happened. It was written into the bill, became the law, and without a lot of input. So help me understand how that unfolded.

General GRASS. Congressman, over the years there have been a number of questions brought up about this force. But I was not consulted before the NDAA was published.

Mr. WOMACK. That is regretful.

I yield back.

Mr. FRELINGHUYSEN. Indeed it is.

Ms. McCollum.

EMPLOYER FATIGUE

Ms. MCCOLLUM. Thank you, Mr. Chair.

I think I am going to add to what my colleague Mr. Womack said, and then ask a question, and I think it all goes together.

U.S. Park Service is having a hard time with pilots and mechanics. U.S. Forest Service has as well. I was up in International Falls. They are recruiting our pilots up there. It is a real problem with our pay scale, both for mechanics and pilots.

So something that no one really wants to talk about on the record is employer fatigue. Employers don't want to talk about it. My Guardsmen and Reserve men and women don't want to talk about it. Nobody wants to go on the record saying it is a problem or that they are starting to hear from their employers. But that is going to affect retention and recruitment.

Employer fatigue. How are we addressing that? Because I actually spoke to one employer. Just loves the fact that for years and years he has stood up and stood with the—I won't say which branch even. I don't want to identify this individual at all. It is starting to affect their bottom line. And the employees are starting to see, as pay goes up, it affects their bottom line in their household income.

So employer fatigue and what is going on with private sector pay. What are we doing to address that? Are you having conversations with folks about it?

General NEAL. Well, ma'am, from the Air Guard, since you brought up with pilots, that is an easier one. We have started to have those, as I mentioned before, with the airlines. There is some fatigue. It more becomes about having an understanding of what to expect. So I can't speak for other parts of the private sector we haven't really talked to. But if they have an expectation of when they can have these men and women that are pilots, it goes a long way to kind of keeping employer fatigue down.

There is no doubt about it, we have been pretty busy for 15 years, and we have asked a lot of our traditionals, traditional Guardsmen, we are 70 percent traditional, and we have asked them over and over again to leave their wives and their jobs. And then we ask them to come back, and then maybe we have a Sandy and we ask them to leave again when it is unplanned. But we find that giving them expectations and sticking to it goes a long way. So that is what we are working on now.

We have not had a lot of outcry from the employers, at least at my level. I think you will find that most wing commanders, because we are wing based, they go out and try to talk to these employers when there is a problem, to help mitigate that. And like you say, most employers are very supportive, but the bottom line is the bottom line.

So far we seem to be doing okay, but it is a concern of mine, that down the road as we go farther and farther down this road, and we have cyber, we have RPA, and we have pilots, all who pay very well on the civilian sector, and that is a real concern, ma'am.

General TALLEY. So, ma'am, if it is okay, I would like to answer. Thank you for that question.

So it is a problem. And I have been saying it is a challenge for the whole 4 years I have been in this position. And back when I was a major, troop program unit, juggling between what all of our reservists do, which is between family and professional civilian career and military career.

The first thing we have to do is we have to have predictability—so that is one in five—and we have to stick to it. But then if we are trying to generate such high levels of readiness to the left of the mobilization date, that extra time is significant.

And so one of the reasons I have—I would like to believe that two of the most important things I have done in 4 years, one is plan, prepare, provide, and how to generate readiness in the Army Reserve through that business model.

The other is the Army Reserve Private Public Partnership. So what we have done is we have partnered with those private companies and we have given them predictability and we have shown them how we can help their bottom line through leverage and sharing of capability and resourcing in a way that they feel good. But one is we have got to give them the predictability, we have got to keep it at one in five, and we have to recognize, at least in the case of the Army Reserve, the only reason they are such a good surgeon or an engineer is because that is what they do in the private sector. If I lose that private sector support, your Army Reserve will not be able to be the technical experts that the Army and the joint forces expect.

So I have put my eggs in the basket of Private Public Partnership. I had a meeting with Acting Secretary of the Army Murphy this morning and all we talked about was Private Public Partnership and what a great model that could be for the Army.

So we need to do more. But we need one in five, keep it one in five. Remember we are a Reserve that is called on to be part of the operation force, not the reverse.

Mr. FRELINGHUYSEN. Do you want to further comment, clarity, and then Mr. Visclosky has some questions.

General GRASS. Congresswoman, if I could add, it is a concern, as Jeff said, and I think he laid it out very well. What we have seen, though, is that predictability is so important when we meet with employers. And I would tell you just personal experience that the Chairman of the Joint Chiefs is very concerned about it. And when he locks a unit in at 180 days that they are going on a deployment, for anybody to mess with that, they have to come back to him and let him know why they are changing that rotation schedule, whether it is off ramping them because of a mission change. So we have got great commitment from within the Department of Defense.

The other thing that we work very closely with is within the Department of Defense we have the Employer Support to Guard and

Reserve Program. We recognize every year 15, and the Secretary of Defense recognizes 15 top employers.

I think the stress comes more in the small business and private business owners. And I think in looking to the future, if there is a way we could help them in some way when we do hit a small town fairly heavy, because that is where it occurs.

For the Army Guard and the Air Guard right now, our numbers, of course, on the Army Guard probably the lowest it has been in 15 years for deployments. So if we have the predictability and we have a soldier who has an issue with employment, we can work around that now to help them in some cases.

General KADAVY. If I could just add a couple things, Congresswoman. Part of the reason why the associated unit is a pilot project is because these are one of the things that we need to understand when enough training and readiness starts to impact families and employers. So that is one of the things we will study.

We are sending almost 6,000 soldiers to Europe to support ERI, and we are going to ask their employers and our soldiers and their families these exact same questions. Is a 29-day annual training to do an overseas deployment, what is the impact? So we are interested in that.

We continue to communicate with our soldiers and with our leaders in the States. Adjutant generals have a very big play in it. So far they have told us that while there is strain, it isn't at a breaking point.

And the last indicator I would say that I keep an eye on is our retention numbers. And thus far it isn't our retention that is our issue if we will make end strength or not. We are retaining well beyond our expected rates.

Ms. MCCOLLUM. Thank you.

Mr. FRELINGHUYSEN. Mr. Visclosky.

Mr. VISCLOSKY. That is why he is chairman.

Mr. FRELINGHUYSEN. I should have been aware of my surroundings. I apologize.

OPEN COMBAT JOBS TO WOMEN

Mr. VISCLOSKY. One question, if I could—thank you, Mr. Chairman—is I think because the Secretary of Defense in December ordered the military to open up all combat jobs to women, that we tend to forget 161 women have lost their lives in Afghanistan and Iraq and over 1,000 have been wounded. But given the directive in December for the Guard, what actions and efforts will you have to undertake to comply with the December directive as far as women being able to apply for all units?

General KADAVY. Congressman, we will follow the Army's program and policy. One of the things that are unique to us is we have always said we take units to soldiers. And so there may be States that don't have combat arms organizations. And if you have a female that wants to serve in a combat arms organization, how do we get around that?

So those are some of the challenges that we will be working through. We don't have the exact answers yet because of the way the Guard is organized is 54 different entities by the States, district, and the territories. But we are working through that. That

will be one of the issues, I think, that in particular may impact the Army National Guard.

General GRASS. Congressman, if I could add, as a member of the Joint Chiefs, we discussed this topic quite frequently leading up to the decision. And one of the things we felt, that to make this successful we have to get women in some of the top jobs quickly so that they can see that there is a progression within the organization.

I know that General Milley in our last discussions is already looking at finding women that are willing to transfer into these skill sets so that we can get them in the training pipeline, but not just at the entry level. If they are willing to transfer over as a field grade officer, as a company commander, that is what is going to make us successful. And of course on the general officer side as well.

Mr. VISCLOSKY. I thought about that.

General NEAL. And, Congressman, for the Air National Guard, we just echo the Air Force. We are recruiting now 100 percent, everything we do is open to women. And we will recruit them. If they want to apply, they go to school, and when they finish training they are fully qualified. So it will be a non-issue for us.

General TALLEY. Not an issue for the Army Reserve. We are all enablers. So we already had women in all of our positions already. But we did get the third female ranger graduate was an engineer from the United States Army Reserve.

Mr. VISCLOSKY. Thank you very much.

Thank you, Mr. Chairman.

Mr. FRELINGHUYSEN. On that very positive note, I would like to thank General Grass, wish you God speed, General Talley, for both of your years of incredible dedicated service to our Nation. And to General Neal and Kadavy, thank you very much for being here. We appreciate all you do. And please thank the men and women who stand behind you who do the work of freedom at home and abroad.

We stand adjourned. Thank you.

[CLERK'S NOTE.—Questions submitted by Mr. Calvert and the answers thereto follow:]

COMPATIBILITY

Question. Given the current fiscally constrained environment, my concern is that the priority for newer and more capable equipment, such as communication equipment, is being fielded to the active duty Army while less capable equipment may be given to the Reserve forces. In addition to having certain units with equipment that is potentially less capable, it creates a compatibility issue between different units. This could ultimately lead to degradation in the active and reserve component's ability to fight as a unified team in a conflict or combat environment.

What is being done to minimize or eliminate disparities in equipment between the active duty and reserve force?

Answer. Thank you for this question Congressman. Due to fiscal constraints and budget uncertainty, equipment disparities will not be eliminated between active Army and Army Reserve forces. The unintended consequences of these fiscal realities significantly challenge efforts to minimize growing equipment disparities and the ability to sustain the Army Reserve in an operational role. The Chief of Army Reserve is not the appropriation sponsor for the equipment procurement budget. Resourcing Army Reserve equipment procurement is centrally managed by the Department of the Army. Efforts to close equipment modernization gaps include investment in modernization programs and cascading equipment.

The primary method for minimizing disparities involves the Army Reserve partnering with the active Army in developing the President's Budget (P-1R) sub-

mission for procurement funding. In FY16, less than 3% of the Army's base budget for procurement and modernization was prioritized for investment in Army Reserve programs focused on logistics and enablers. Army Reserve equipment modernization should not be dependent on NGREA funding to compensate for resourcing disparities in the base budget.

An economically viable method for filling modernization shortfalls is cascading active Army equipment as a substitute to compensate for restructured, delayed, and cancelled procurement programs. This method provides an interim solution at the risk of full compatibility.

Because of resource constraints, today's Army is forced to prioritize combat system readiness ahead of modernization. Consequently, the Army Reserve will remain the least equipped and least modern Army component because we do not have Brigade Combat Teams. Establishing dedicated and sustained funding for logistical and enabler programs resident in the Army Reserve is crucial to improving readiness and restoring equipment compatibility between active Army and Army Reserve forces.

[CLERK'S NOTE.—End of questions submitted by Mr. Calvert. Questions submitted by Mr. Cole and the answers thereto follow:]

Question. I understand that for the National Guard the most cost effective way to train is at the Armory, (Homestation training.) But I understand that one issue with Armory-based training is that it is primarily limited to training individuals, not as a crew or to train collectively. With the critical equipping and modernization shortages being one of the Guard and Reserves greatest challenges:

Can you explain how the use of Virtual Simulations Training can help impact that readiness at the individual, crew and collective level? Does your current training strategy include the use of simulated training for gunnery and maneuver training at the armory level?

Answer. The ARNG uses Training Aids, Devices, Simulators and Simulations (TADSS) to augment the live-fire training strategy to build on and enhance the subsequent live-fire training event. TADSS focus on the fundamental engagement techniques for each weapon, system, or element for individual through company level training. TADSS can improve and/or sustain readiness by providing state-of-the-art training capabilities to enhance training realism. TADSS increase training realism by simulating or emulating red and blue forces, equipment, environments, and conditions. TADSS can stimulate digital command and control systems, increase the frequency of training, make training more available and enable multiple repetitions of tasks, events, and situations. They enable training that is otherwise too costly, too dangerous, or not possible due to safety implications or environmental restrictions. TADSS are used to improve training efficiency by reducing institutional (leader development) or unit (collective) training time, controlling costs by reducing the amount of time required on live training sites; reduce or offset training ammunition requirements and/or operating tempo costs; eliminate or reduce the need for additional training land and other training support infrastructure; improve safety and reduce property and equipment wear and tear.

The current Training Circular 3-20.0 Integrated Weapons Training Strategy, Specifies TADSS must be used for live-fire training during each of the four gates from Individual through Company/Troop/Team. Within each gate prerequisite Table II is designated specifically for simulations. Although not all simulators can be house/utilized at the armory most of ARNG TADSS are portable or mobile to allow the training to be brought the Soldier and not the Soldier to the training.

Question. Can you tell explain the cost savings of doing Homestation training? Savings of travel and time for instance?

Answer. AR 525-29 describes Home Station (HS) Training as the foundation and critical component in training on fundamental individual and collective skills. This foundation is built at home station through exercises such as field training exercises (FTX), staff exercises (STAFFEX) and command post exercises (CPX). In order to maximize the Combat Training Center (CTC) experience, commanders use home station training to ensure the highest possible capability levels prior to a CTC rotation. Home Station training reduces operational tempo (OPTEMPO) and travel costs to ARNG/FORSCOM training facilities, especially considering that not all states have ARNG/FORSCOM training facilities within its boundaries or within a reasonable travel distance. Considering the finite amount of training time scheduled for ARNG units, an increase in travel equates to less training time available or the use of additional Multiple Unit Training Assembly (MUTA). The efficiencies gained through training at home station maximizes resources across all COMPOs and informs future investment priorities for infrastructure growth while maintaining the core requirements of "State" home station range live-fire requirements.

Question. Is it possible to use current NGREA funds for crew training equipment that is based on a fee-for-service basis (or a lease) for a training period or is there an option that is available currently for TAGs to use crew training equipment without owning it? If not, would it be something you would look into as an option to save on training costs and to maintain readiness

Answer. It is our understanding that NGREA funds cannot be used on a “fee for service” basis for a training period because these types of services are budgeted within the Army and the Air National Guard’s Operation and Maintenance accounts. Based on our review, the Purpose Statute (31 U.S.C. 1301) would not allow our agency to use NGREA funds in this manner since the annual NDAA explains that NGREA is available for “procurement of aircraft, missiles, tracked vehicles, ammunition, other weapons and other procurement for the reserve components.” Leasing of equipment within DoD generally take two separate forms: (1) operating leases, and (2) capital leases. The DoD Financial Management Regulation prohibits the use of operating leases with procurement funding sources such as NGREA. A capital lease, which allows for incremental payments towards owning the equipment, may be a technical possibility, however, it in light of DoD’s full funding policy and OMB A–11’s “scoring” methodology for capital leases, all of the costs of the lease would need to be included in one FY of NGREA funding.

Additionally, we note that a large portion of NGREA funds are placed on contracts that are awarded and administered by various external program offices. There is a shared responsibility between NOB and these program offices in terms of acquisition planning and finding the best value contracting method for NGREA requirements, to include examining the potential advantage of a capital lease. We are not opposed to looking into a capital leasing option in conjunction with the cognizant program office as appropriate.

[CLERK’S NOTE.—End of questions submitted by Mr. Cole. Questions submitted by Mr. Aderholt and the answers thereto follow:]

PERSONNEL REFORMS

Question. I would like a progress update on the integration of personnel systems to facilitate the continuum of service efforts. Are they resourced adequately? Are the Reserve and National Guard components adequately manned on a full-time basis to execute the tasks associated with implementation of those reforms? If not, where should funding be allocated to facilitate total army recommendations

Answer. To date, the Integrated Personnel and Pay—Army (IPPS–A) Program Manager (PM) has been working to support all personnel and pay requirements of the Army National Guard (ARNG). The Director, Army National Guard (DARNG) is the lead partner for ensuring the successful development and fielding of IPPS–A. Our support spreads across the 54 States and Territories, to include Washington, D.C. and we are integrated at the IPPS–A Functional Management Division (FMD)/PM levels. The ARNG has assigned full-time liaison officers (LNO) to the IPPS–A team to ensure functional needs for the ARNG are adequately included in IPPS–A. We have additional requirements for temporary manpower support through Active Duty Operational Support (ADOS) and Contractors who provide critical technical and legacy systems sustainment in an effort to provide the very best data for transition to IPPS–A. The temporary support must be funded through POM 18–22.

[CLERK’S NOTE.—End of questions submitted by Mr. Aderholt. Questions submitted by Mr. Kaptur and the answers thereto follow:]

12304b ROTATIONS

Question. During the Hearing, LTG Talley provided an excellent depiction (attached) of the benefits associated with mobilization under 12304b compared to other titles.

How much would it cost provide each of these benefits to our reservists? Who is the approval authority for authorizing these benefits?

Answer. Reserve Servicemembers are not entitled to receive these benefits under existing law. As such, no one in the DoD has authority to approve these benefits.

Question. Why were these benefits not included in the original creation of the 12304b mobilization?

Answer. Congresswoman Kaptur, thank you for your question. The Army Reserve does not have knowledge of the benefits that were considered when 12304b was originally drafted. The Assistant Secretary of Defense for Reserve Affairs under the

authority, direction, and control of the USD(P&R) develops and enforces implementing policy, programs, and guidance for the activation, mobilization, and demobilization of the Reserve Component personnel in accordance with Department of Defense Directive 5125.01.

TOTAL FORCE INTEGRATION

Question. During the hearing MG Neal said the announcement of a NG officer taking command of an Active Wing was imminent.

Please provide date of the release, which command it will be, and name/location of the selected officer.

Answer. An Air National Guard Colonel has been selected by the Air Force Colonels Management Office to take command of the 6th Air Mobility Wing at MacDill AFB, Florida in July 2016 for a period of two years. We anticipate the official announcement to occur shortly.

Question. Please provide a full list of all NG and Reserve units commanded by an active component officer.

Answer. 120 AW, Great Falls, MT; 180FW Toledo, OH; 190SOW Harrisburg, PA
Question. Please provide the proposed integration plan and schedule.

Answer. Air Force Reserve and Air National Guard members are currently present on Headquarters Air Force staffs, but their positions often are not fully integrated. The Air Force is currently working to develop a more fully integrated staff model, in which the workload distributed to Total Force positions will execute Total Force work. To ensure this outcome, statutory authorities and monetary funding codes must be analyzed for adequacy.

[CLERK'S NOTE.—End of questions submitted by Ms. Kaptur.]

WITNESSES

	Page
Carter, Hon. A. B	1
Dunford, General J. F., Jr	1
Grass, General F. J	373
James, D. L	235
Kadavy, Major General Timothy	373
Mabus, Ray	113
McCord, Mike	1
Milley, General M. A	307
Murphy, Patrick	307
Neal, Major General Brian	373
Neller, General R. B	113
Richardson, Admiral J. M	113
Talley, Lieutenant General J. W	373
Welsh, General M. A., III	235